

# Stakeholder Pension from Aviva Individual Plans

Terms and Conditions  
(For plans started on or  
after 10 April 2006)



## General plan conditions

### Scheme registration and set up

The Aviva Stakeholder Pension Scheme (the scheme) is a registered pension scheme under Part 4 of the Finance Act 2004.

The Scheme was established by Deed Poll on 1 October 2000. The rules of the scheme form part of that deed poll. Copies of the deed poll and the rules are available on request. In the event of any inconsistency between the rules and this policy, the rules will override.

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

### Law, currency and place of payment

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

All payments to us or by us will be in the United Kingdom in the currency of the United Kingdom.

### 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.

### Accurate information

We rely on the information that you give to us. If any of the information you give 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; or
- restrict the benefits payable under this policy; or
- cancel this policy and refund the contributions paid less our reasonable expenses.

### 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 "protected rights" and "non-protected rights" in this document. "Protected rights" won't apply to you if you take out a plan on or after 6 April 2012.

### 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.

## 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.

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.

## Conditions relating to contributions

### Contributions made to this policy

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

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

Minimum or maximum levels for such contributions will apply and subject to legal requirements we may change these from time to time (details are available on request).

The initial regular contribution and/or single contribution payable under the policy is shown in your plan details and is due on the start date.

Further regular contributions are payable on the same day in each subsequent month or year as specified in your plan details until that same day in the month before your retirement date or, if earlier, your death.

If you don't start this policy with regular contributions, then you may start regular contributions at any anniversary of the start date or at another time if we permit.

Additional single contributions and transfer payments may be paid at any time.

Regular contributions can be increased or reduced. Any change can only start from the next date a contribution is due.

Acceptance of all contributions is subject to our minimum payment requirements and the means of payment we will accept at the time the contribution is made. However, we will not ask you to increase regular contributions if their level has already been agreed by us.

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.

### **Totally variable regular contributions**

If contributions are calculated as a percentage of your variable earnings, the level of earnings on which contributions are based, and therefore the amount paid, may change at any time. Any change to the level of contributions can only take effect from the next date a contribution is due.

Your employer will tell us your earnings and the percentage applying at the start of the policy. If your employer has not told us of any future changes to your earnings by the next date a contribution is due, or a change to the percentage which applies at the next review date, we will assume that these are unchanged.

### **Salary based regular contributions**

If contributions are calculated as a percentage of your earnings the amount paid will change each year on the annual review date in line with your earnings.

Your employer will tell us your earnings and the percentage which applies at the start of the policy. If your employer has not told us of any future change by each review date, we will assume that the amount paid is unchanged.

### **Indexation**

If contributions are to be indexed then the amount paid will change each year in line with the Average Weekly Earnings Index. Your and/or your employer's contributions will increase on the policy anniversary, or the date that regular contributions started if different, each year. The increase will be linked to changes in the Average Weekly Earnings Index ("Index") (subject to a minimum of 3% and a maximum of 15%).

The new level of contributions will be the higher of:

- a. 3% more than the existing level; and
- b. the amount that results if the level of contribution just before that policy anniversary is multiplied by the increase in the Index over:
  - i) the last twelve months ending on the last day of the sixth month before that policy anniversary; or
  - ii) any other period of twelve months we agree with you.

The Average Weekly Earnings Index means the Index published by the Department for Education and Employment, or any other similar index we reasonably choose if this Index ceases to exist or is replaced.

Automatic increases in contributions will stop if:

- contributions stop; or
- you tell us to stop the automatic increases.

## Stopping regular contributions

Regular contributions can stop at any time.

- If you do not tell us when to restart contributions, or if the date you tell us is not within 12 months of the date that they stopped, we will make your policy paid up. This means that we will not request any further contributions and your pension fund will remain invested until you retire. We will continue to take charges from your fund and these may reduce its value over time. If the charges reduce the value of your pension fund to nothing, your plan will end and you'll get nothing back.
- If, before the policy is changed, you tell us the date when you will restart contributions and this date is within 12 months of the date that they stopped, this will be a contribution break. Provided contributions do restart within 12 months, we will collect future contributions at the same level as before unless you tell us otherwise.

Any relevant charges will still be payable even if contributions stop.

Contributions may restart but they will be subject to our conditions at that time. We will tell you what these conditions are.

## Eligibility

You must be resident in the UK and have the intention to remain resident in the UK for the duration of the Policy. The UK does not include the Channel Islands, the Isle of Man or Gibraltar.

You must tell us as soon as possible, if you move outside the UK and your main residence is in another territory or if you start working overseas on secondment from your employer. Laws in the territory you become resident or are on secondment in may affect your ability to continue to benefit fully from the features of your Policy. We may need to change, reduce or remove any of your Policy terms and may affect how much and the period over which you can pay into your plan. We'll give you details once you've told us. You should seek your own independent advice to consider your options after you move to another territory.

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

## Transfer payments

This policy may accept transfer payments from the sources set out in the rules of the scheme. 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.

## Investments

### Investing contributions

The investment content of each contribution is:

- allocated in accordance with the instructions we currently hold into the appropriate arrangement(s), and
- used to buy units at the unit price in the chosen funds.

The allocation takes place using the unit price that we:

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

### Funds used for this policy

You can choose from a group of investment linked funds. The number of funds and the funds themselves 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 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.

### Default investment fund

Stakeholder legislation requires that if you have not told us which investment fund(s) you want your contributions invested in, we will invest your contributions in the scheme's default investment fund(s). This fund(s) may change in the future as a result of the investment advice that we have obtained or as a result of legislative changes. 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 legislative requirements.

### Phased switching

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

If your contributions are directed towards the scheme's default investment fund(s) then this option will be automatically applied unless you tell us not to do so. In any other case it will only be applied at your request.

In either case this option can only apply if there are more than five years to your retirement date.

## Start of phased switching

Units will be switched from each of the investment funds you have chosen or the default investment fund if applicable to the fund(s) applying to phased switching at that time. Switching will start from five years before the original or chosen retirement date.

Switching will apply equally to all arrangements with the same original or other 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 contributions won't be automatically redirected when phased switching starts. The investment content of contributions paid will be allocated to the funds you've chosen at that time until they are switched in line with this phased switching option. If regular contributions commence after phased switching has started, we'll automatically pay the investment content of the contribution(s) into the funds which apply to the phased switching at that time.

## 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 retirement date.

The calculation will:

- include any units that have been allocated in that fund for further contributions;

- 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 that we next make available on:

- the same day of each month as the original or other retirement date, if different; or
- if no unit prices are available for that day, on the next day that prices are available.

There will be no more than 60 calendar months to the original or new retirement date when we begin phased switching.

## Changing your retirement date

If, when we start 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 start 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'll 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'll stop switching units under this option. You can also cancel phased switching before we've started to switch units.

## When we may change an investment approach

We may change or remove any investment approach for any of the reasons set out below. This may mean a change to the:

- funds within the investment approach
- mix of funds within the investment approach
- length of the investment approach
- name of the investment approach
- risk profile of the investment approach
- charges that apply in the investment approach

Some of these changes mentioned above may mean the charge and/or risk ratings change. They could go up or down to reflect the charges and/or risk ratings of the new funds and their relative proportions.

If any or all the above changes happen, we will make information available about the change.

However, we won't write to you before any or all the changes or ask your permission to make any or all the changes.

After we make any or all the above changes to the investment approach, we'll tell you about the change as soon as practically possible. This could be up to a year after we make the change.

We reserve the right to make any or all the changes listed in the above bullet points to investment approaches where there are:

- changes in applicable law, regulation (including guidance issued by an appropriate regulator) industry codes of practice or generally accepted industry

practice which affect your investment approach

- changes in how the London Stock Exchange or other relevant investment or regulated markets may work which may impact on the operation of your investment approach
- changes in investment/share dealing administration or other infrastructure facilities, systems or means of communication which impact on the provision and operation of your investment approach
- changes to services relating to your plan supplied to us by third parties which are outside of our control which need additional expenditure by us
- changes in circumstances or the happening of any event which means the investment approach operates in a way which is unfair to you or our other policyholders
- changes resulting from the introduction of new systems, services, and changes in technology
- changes in circumstances or the happening of any event which makes it impossible, impracticable, or economically unviable for us not to make a change to the investment approach. We will only do this so long as any such change is not unfair to you or our other policyholders
- changes needed to amend an error where it is reasonable to do so
- changes required for appropriate governance reasons to implement legislation or regulatory changes or best practice.



And the change or changes are in our opinion reasonably required.

You can change your investment instructions at any time.

## Investment linked funds

We may prevent you from investing in certain funds if doing so would break legislation governing stakeholder schemes. For example, we would not be able to invest your payments in a fund with a higher charge than is allowed for stakeholder pensions.

## 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 may borrow for the purposes of any investment linked fund and use the assets of that fund as security for a loan.

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

## Deductions

We will deduct money 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 our opinion 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.)

At all times the total deductions will be restricted to ensure the overall charges applicable to this policy will be no more than the maximum permitted by the law.

## Unit prices

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

Each valuation is carried out to fix 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; or
- regulatory guidance; 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. This is found by:

- 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
- 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. This is found by:

- 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
- dividing this by the number of units of that type in the fund and then rounding the answer to the nearest 0.01 pence.

## Changing investment funds

Throughout the term of this policy you can change the investment funds in which your contributions are invested and tell us to redirect future contributions into new funds.

By writing to us, you can request that different types of contributions 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 contribution type.

Once we have received your request, units are switched by cancelling enough existing units to raise the cash value you requested. This cash value will be used to allocate units at the selling price in the other fund(s) you have chosen.

There is no charge for changing the investment funds in which your contributions are invested, but we reserve the right to limit the number of changes you can make each year.

## Charges

### General

We will restrict deductions to ensure that the overall charges to this policy will be no more than the maximum permitted by the law.

We will tell you if the maximum alters or if the actual charges relating to this policy otherwise change.

### Allocation

The allocation rate(s) that applies to your initial contribution(s) is shown on documents that will form part of or attach to this policy.

Allocation rates are applied to contributions to define their investment content.

Further single contributions or increases to your regular contributions could be subject to different allocation rates. You will be informed of the rate applicable when the contribution is made.

### Annual Fund Charge

The annual fund charge is made on the same day each month as the start date. It will be applied across all investment funds in which units have been allocated in accordance with the rate applying to that fund.

This charge is made by the cancellation of units.

The Annual Fund Charge applying to the initial investment fund(s) you have chosen is

shown on the documents, which form part of or attach to this policy. The overall level of charge may depend on the funds you have selected and the relative size of these funds.

We may vary the annual fund 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; or
- where there are changes in the costs of fund management; or
- to respond, in a proportionate manner, to 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.

### **Additional Yearly Charge**

This charge is made by the cancellation of units, it can apply to some of the investment funds available and the amount of the charge is fund specific please refer to your fund guide for further information.

### **Total Yearly Charge**

The total yearly charge is your annual fund charge and additional yearly charge added together. The overall level of charge will depend on the funds you have selected and the charges associated with these funds.

### **Other charges**

If we repay some of the contributions in accordance with the rules of 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.

## **Cancelling units**

### **Cash value**

The amount raised when units are cancelled is the cash value. The cash value may be adjusted to ensure the amount we charge in the final month reflects the number of days you were invested during that month.

### **Cancellation of units**

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

- 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 to use already known market data to your benefit; or
- next make available on the day you specify if this day is later than the day above; or
- next make available on the day on which a cancellation is necessary under the terms of this policy or the rules.

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 the value.

If there is a delay, then the cancellation will take place using the unit price next available after the period of delay has ended.

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.

We will not delay the cancellation of units if a payment is due under the rules other than a transfer payment before retirement.

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.

## **Retirement benefits, death benefits and transfer payments**

### **Date retirement benefits become payable**

The date when retirement benefits are due to be paid is your retirement date. Your retirement date is shown on your plan details. You can change your retirement date.

You can change your retirement date.

You may be able to choose to take retirement benefits from separate arrangements at different times.

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 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.

## Arrangements

This policy may be split into a number of separate arrangements.

Under current legislation, the benefits from each arrangement may 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 initial number of arrangements in this policy is shown on your plan details.

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

## The retirement benefits available

If you are alive on your retirement date 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 next available at your retirement date.

If all our reasonable requirements have not been met by your retirement date then the cash value will be calculated and payable at the unit price that we next make available:

- after all our reasonable requirements have been met; or

- on the last day on which you can take benefits in line with the Scheme rules, if earlier.

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 14 will apply.

## The amount of death benefits payable

We will pay benefits if any arrangement still exists when you die before your retirement date. The amount will be the cash value obtained by cancelling units allocated to all remaining arrangements calculated at the unit price that we next make available 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 or in a different form.

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) is 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 provided that your estate or personal representatives were not the sole object of the trust at its inception, then 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.

Instead of a lump sum, the chosen beneficiary may take the value awarded to them as a drawdown pension or an annuity.

## 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/Designation”** means the method by which you make some or all of your policy available for Income Drawdown.

**“Investment Pathway Funds”** are investment funds aligned to an Income Drawdown objective (investment pathway option).

**“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 Lump Sum”** means for the purposes of this amendment document, your tax-free 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 before 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 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;
- your Uncrystallised Funds Pension Lump Sum 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 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 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.
- you have sufficient Lifetime Allowance to cover the amount of the Uncrystallised Funds Pension Lump Sum.

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. 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 product 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.

### **Taking a Tax-Free Lump Sum 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

Lump Sum payment may be paid to you which cannot exceed limits set by HMRC.

Upon Designation to Income Drawdown you will have the option of where to invest your money, choosing between funds where permitted under your Terms and Conditions.

The Tax-Free Lump Sum will be paid from Accumulation Funds and Income Drawdown payments will be made from Income Drawdown Funds. A Tax-Free Lump Sum 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 being cancelled on a last in first out basis. 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 Lump Sum 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.

The Designated amount will be invested in the Income Drawdown funds you have remaining at the time of Designation and, if applicable, will be invested as near as possible in the same proportion as your remaining Income Drawdown funds.

When you Designate to Income 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 Income 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 a Tax-Free Lump Sum 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;

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. 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. 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 is being applied on your policy, it will:

- continue for your whole policy if you retain the same funds for your Income Drawdown pot;
- cease if you invest your Income Drawdown Funds in a different fund or different funds from your Accumulation funds. Once stopped, automatic switching cannot be reinstated. Automatic switching will continue to apply to your Accumulation Funds.

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 lifestyle/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.

## Investment Pathway Funds

If you invest in an Investment Pathway Fund, all your plan's Income Drawdown Funds must be invested in it. This means you cannot hold any Income Drawdown Funds in other investment funds at the same time as investing in an Investment Pathway Fund.

You may switch all your Income Drawdown Funds into and out of an Investment Pathway Fund at any time subject to your existing switch terms.

You can only invest in one Investment Pathway Fund at a time.

Investment Pathway Funds are only available for the investment of Income Drawdown Funds. They are not available for the investment of Accumulation Funds.

## Changes to an Investment Pathway Fund

We may change an Investment Pathway Fund in which you are invested for any of the reasons set out below. The changes include (but are not limited to) the:

- name of the Investment Pathway Fund;
- funds used within the Investment Pathway Fund;
- mix of funds within the Investment Pathway Fund;

- risk profile and investment strategy of the Investment Pathway Fund;
- charges that apply in the Investment Pathway Fund.

This may mean that the charges and risk ratings change, either up or down, reflecting the charges and risk ratings of the new funds and their relative proportions.

We reserve the right to make any or all changes listed in the above bullet points to Investment Pathway Funds that are in our opinion reasonably required, in order to reflect changes:

- in applicable pensions law, tax law or other law, legislation, regulation or industry codes of practice which affect your Investment Pathway Fund;
- in how the London Stock Exchange or other relevant investment or regulated markets may work which may impact on the operation of your Investment Pathway Fund;
- in investment/share dealing administration or other infrastructure facilities, systems or means of communication which impact on the provision and operation of your Investment Pathway Fund;
- to services relating to your plan supplied to us by third parties which are outside of our control or which require additional expenditure by us;
- in circumstances or the happening of any event which means that the Investment Pathway Fund operates in a way which is unfair to you or our other planholders;

- resulting from the introduction of new systems, services, and changes in technology;
- in circumstances or the happening of any event which makes it impossible, impracticable or economically unviable for us not to make a change to the Investment Pathway Fund, provided that any such change is not unfair to you or our other planholders;
- required to remedy obvious errors;
- required for appropriate governance reasons to implement legislation or regulatory changes or best practice.

We reserve the right at any time to close, close to new investment, withdraw or significantly change any Investment Pathway Fund or fund within an Investment Pathway Fund provided we believe it is reasonable to do so and it is for one of the following reasons:

- the fund becomes too small or too large to be managed effectively;
- the assets to match the fund's aims or strategy are not available (including but not limited to where the fund is linked to an external fund the closure of that external fund);
- the costs of managing the fund become prohibitively expensive (including but not limited to the charges imposed by an external fund manager);
- there are significant changes outside of our control (for example in financial markets or the economy) or there are legislative or regulatory changes

which mean that the fund is no longer able to operate in accordance with its stated aims;

- the fund has underperformed over a significant time period;
- where the fund is linked to an external fund we have reasonable doubts as to the governance of that external fund;
- an aspect of the fund changes outside of our control which means it no longer meets legislative or regulatory requirements;
- there is a change of ownership or corporate structure to the fund manager where this has a material adverse effect;
- the fund manager makes a change that does not meet our internal governance requirements;
- the fund has consistently failed to meet its performance objectives, as set out by the fund managers;
- we reasonably believe the fund offers poor value for money to planholders;
- having regard to general industry standards we reasonably believe that the fund is (in all or most material respects) below the standard of other comparable funds available to planholders.


We will tell you if there is a significant change to an Investment Pathway Fund that we consider may affect your decision to invest in that fund. We will try to give at least 30 days' written notice of the change, but the amount of notice we give you will depend on how much notice we have had of the change.



## Need this in a different format?

Please get in touch if you'd prefer these Terms and Conditions (**SP01024**) in large font, braille, or as audio.

## How to contact us

 0800 068 6800

 [contactus@aviva.com](mailto:contactus@aviva.com)

 [aviva.co.uk](http://aviva.co.uk)

Our opening hours are Monday to Friday 8am to 6pm.

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

### **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.  
Telephone 0800 145 5744 – calls may be recorded.

**aviva.co.uk**

Member of the Association of British Insurers.

SP01024 12/2022 © Aviva plc

