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Adviser Charge Options Personal Pension Plan

This leaflet describes the range of adviser charge options offered by Aviva for the Personal Pension.

This leaflet is split into two sections which describe the options offered on our Aviva Personal Pension:

- Adviser charges can be added to new Aviva Personal Pension plans or to plans that previously had a Standard Commission option.
- Charge for Advice is only available on increments to existing Charge for Advice Aviva Personal Pension plans.

The Adviser Charge and Charge for Advice options can't be applied to the same Aviva Personal Pension plan.

Adviser Charge Options

At Aviva we have developed a range of adviser charge options that comply with the RDR regulations, allowing customers to pay for advice from within their pension product. These options are available on all new Personal Pension plans and existing plans that previously had a standard commission option.

The table below gives more detail on the adviser charge options available through the Personal Pension:

	Initial (spread)	Initial (one-off)	Ongoing
Available on which payment types?	Regular	Single, transfer, income drawdown	Regular, single, transfer, income drawdown
Duration	Spread. Either a number of months or an end date can be specified up to a 60 month period.	One-off.	Spread. Either a number of months, an end date or the whole plan term can be specified.
Frequency	Monthly	One-off.	Monthly
Charge type/ Calculation method	£ amount	£ amount	£ amount or % p.a.
Additional information	<ul style="list-style-type: none"> ● Available to select each time a new regular payment arrangement is added to the plan. ● Any charge must be less than the payment ● The value of the charge taken from the plan is the same as the amount paid to the adviser each month (i.e. on a 1:1 basis). ● Policies can have multiple Initial adviser charge arrangements running at any one time. ● For regular premiums the charge is facilitated on the policy monthly anniversary. 	<ul style="list-style-type: none"> ● Available to select each time a payment is added to the plan or upon accessing tax-free cash and designating to income drawdown. ● Adviser charges must be taken at the same time as the payment is received or when income drawdown funds are created. ● The value of the charge taken from the plan is the same as the amount paid to the adviser (i.e. on a 1:1 basis). ● Plans can have multiple Initial adviser charge arrangements. ● The Initial Adviser Charge for a single premium will be taken on the next monthly anniversary after the effective date of the premium. 	<ul style="list-style-type: none"> ● Ongoing adviser charges can be added to a plan at any time, they do not need to be accompanied by a new payment. ● The start date of an ongoing adviser charge can also be deferred until a specific date. ● Percentage charges agreed are calculated on a monthly basis as a percentage of total fund value. We can apply an ongoing adviser charge from any remaining accumulation funds and income drawdown funds independently as long as they are paid to the same adviser firm. These values can be agreed in 0.01% steps. ● The value of the charge taken from the plan is the same as the amount paid to the adviser (i.e. on a 1:1 basis). ● Only one ongoing adviser charge arrangement can be paid from the plan at any one time. ● This charge can only be paid to the servicing agent.

Charging Structure

For larger funds, a large fund discount will be applied to the plan, which reduces the Annual Fund Charge (AFC). This applies to all Personal Pensions plans. The amount of discount depends on the fund value.

Fund size	AFC
£0-£20k	0.7%
£20k-£50k	0.45%
£50k+	0.4%

Charge for Advice Options

These options can only be used on increments into existing Charge for Advice policies

These are options which include where the cost of commission is charged separately within the plan to other charges. The Annual Fund Charge (AFC) for all Charge for Advice options is 0.7% a year.

Charge for Advice Options have been removed for new business.

Existing Charge for Advice plans will still have the Advice Charge Payment and Fund Value Adviser Charge Payment options available for existing payments. RDR rules mean that no new Funded Commission arrangements are allowed, though arrangements set up before this date will continue as initially agreed.

Advice Charge Payments

Note: Adviser charge payments cannot be added to any income drawdown funds where the plan has an existing Charge for Advice arrangement.

Charge Options	Advice Charge Payment	Fund Value Advice Charge Payment
Available on which payment types?	Regular, Single, Transfer.	Regular, Single, Transfer.
Terms that apply	The advice charge is paid to the adviser when the charge is taken from the customer's plan. For regular payments, the advice charge payments can be made for the duration of the plan, or for a specified time period.	Payments can be made monthly, quarterly, half yearly or yearly but the same frequency must be used for all payments on a plan. Payments can be made for the duration of the plan, or for a specified time period
Customer charge	The value of the charge taken is the same as the value of the charge paid (i.e. on a 1:1 basis).	Fund value advice charge payments let customers pay a fixed percentage of their fund value for advice.

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