Your Illustration of Projected Pension Benefits

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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 decide whether our New Generation Pension Plan is right for you. You should read this document carefully so that you understand the decision you are making and then keep it safe for future reference.

Why you should read this illustration

- **We have illustrated a number of examples** which show what you might receive when you retire. These are not based on your personal circumstances.
- There are different options available to you when you start taking your retirement benefits. This illustration shows what you might get if you use an annuity to provide your retirement income. As you approach retirement, we will contact you about the available options.
- This illustration also **shows the effect of an assumed level of investment performance and charges**.
- You should read the following example illustration with the **Key Features of the New Generation Pension Plan**.

Limitations of this illustration

- **We can't predict** the amount of pension income you will receive when you retire. These illustrations are not based on your personal circumstances.
- If you would like an illustration that is personal to your own circumstances, please contact us on **0345 605 4289** or write to us at **Aviva, PO Box 1550, Salisbury SP1 2TW.** Calls may be recorded.

The amount of pension income illustrated is shown in **today's prices** (taking into account future inflation). The estimated amounts shown are based on different monthly contributions and a range of different ages. A range of monthly contributions is shown for this purpose.

How to use the following table of projections

First, look down the left-hand column to find the age closest to your age now. Then look across to find the monthly contribution closest to the contributions you are likely to make. The figures in the table give you an idea of the monthly pension income you may receive.

For example, if you are aged around 40 and contributions into your plan start at £200 a month, your estimated pension income at age 65 could be £420 a month.

Monthly Pension Income

Your approximate age now	Estimated monthly pension income at age 65 or 60 assuming monthly contributions into your account start at									
	£100		£150		£200		£300		£500	
	60	65	60	65	60	65	60	65	60	65
20	£364	£480	£546	£721	£728	£961	£1,090	£1,440	£1,820	£2,400
25	£299	£401	£449	£602	£598	£803	£898	£1,200	£1,490	£2,000
30	£241	£330	£362	£496	£482	£661	£724	£992	£1,200	£1,650
35	£189	£267	£284	£400	£378	£534	£568	£801	£947	£1,330
40	£143	£210	£214	£315	£286	£420	£429	£630	£715	£1,050
45	£101	£158	£152	£238	£203	£317	£304	£476	£508	£794
50	£65	£113	£97	£169	£130	£226	£195	£339	£326	£565
55	£31	£72	£46	£108	£62	£145	£93	£217	£156	£363
60	-	£34	-	£52	-	£69	-	£104	-	£173

Contributions

The table of projections is based on a range of different monthly contributions. Your employer will notify you of the contribution basis applicable to your plan.

We have made the following assumptions:

- Contributions are invested as set out in the **Investment solution – where contributions are invested** section.
- Monthly contributions increase by 2.5% a year.
- Inflation is 2.0% a year.
- Before charges, your pension fund grows between 4.06% and 4.44% a year. As the investment solution is made up of a number of individual funds with different growth rates, the overall growth rate will depend on how far you are from retirement when you join, and for how long you remain invested in the plan. For this reason, a range of growth rates is shown.
- The charges are set out in **The charges we'll take** section.
- When you take pension benefits using the annuity option, you decide:
  - not to take any tax free cash;
  - to buy a pension paid monthly in advance that does not increase and will be paid for at least five years or until you die if later;
  - to buy a pension for yourself only. If you were to buy a pension for your partner, your pension income would be less than that shown.
- Interest rates are 3.3% a year.

Important information

- The information provided in the table on the previous page is for illustrative purposes only. **These figures are only examples and are not guaranteed** - they are not minimum or maximum amounts. What you will get back depends on the type of investment you choose, how much your investments grow or fall, how long you invest, charges, taxation and interest rates at the time you retire, and how you take your benefits.
- We have used growth rates according to the default investment solution of the scheme. If you choose different funds or you switch into different funds in the future, different growth rates may become more appropriate.
- **The value of your pension can go down as well as up and is not guaranteed. You could get back less than has been paid in.**
- As the pension income shown does not increase by the rate of inflation, over time its value could fall in real terms.
- Most pension providers use the same interest rates to show how your final fund value could give you a monthly pension income using the annuity option. Please remember that your monthly pension income will depend on the interest rates at the time you retire.
- For your plan to grow in real terms, your investments need to grow at a higher rate than the combined effect of inflation and charges (please note that charges may vary between different companies).
- When a tax-free lump sum is taken, including on death, there may be a tax charge if the total value of benefits taken from all your pensions to date is over either the lump sum allowance or the lump sum and death benefit allowance. You may also have a tax charge if you or your employer, in total, pay in more than the annual allowance in any tax year. No allowance has been made for any such tax charges in this illustration. Tax treatment will depend on your individual circumstances and may change in the future. You can find the current standard allowances at: gov.uk/tax-on-your-private-pension/
- You can usually take pension benefits from your plan from the minimum pension age. This is currently age 55 (57 from 6 April 2028). However, depending on your circumstances you may be able to access your pension pot earlier such as when you have a protected pension age (to find out more visit www.aviva.co.uk/nmpa) or are unable to work due to ill health or incapacity. If you take them before your selected retirement age, you are likely to get back less than shown in this illustration.
- Each year we will also send you an annual statement which will include an up-to-date illustration.

Investment solution – where contributions are invested

- Contributions will be invested in the funds which make up the My Future investment programme, which has been designed to manage your pension investments for the life of your plan.
- Further details of the Investment solution can be found in the **Helping you to understand your investment choices** brochure.

Your employer has selected the default investment solution for this scheme, which has the following objective:

This programme gives you flexibility. It prepares you for the different ways you can take your money at retirement: as drawdown; cash; or an annuity. That makes it ideal if you're not yet sure what you're going to do or if you want to keep your options open.

If you're more than 15 years from your selected retirement date, we invest your money in the My Future Growth fund, which aims to grow your pension pot over time.

From 15 years to your selected retirement date, we gradually move your money in the My Future Consolidation fund, which aims to avoid large changes in the value of your pension pot as you approach retirement.

The charges we'll take

Charges are taken to cover the costs of managing your plan. These charges are taken by cancelling units from each fund you invest in over the lifetime of your plan.

The Annual Management Charge (AMC) is made up of two parts:

- A scheme annual management charge which is taken out of the value of your pension plan over its lifetime to cover administration costs and investment charges and may change over time. This is also referred to as a 'plan charge' within this illustration.
- For certain funds, an annual fund manager charge applied by fund managers for managing the fund. The charge varies according to the funds you invest in. This is also referred to as an 'investment charge' within this illustration.

Also, there are additional expenses associated with some funds and these are reflected in the unit price. The additional expenses reflect the cost of managing the assets and include fees to auditors, trustees and valuers. The scheme AMC, the fund AMC, the additional expenses, together with any other costs or expenses incurred in accordance with the terms and conditions of your plan make up the total annual fund charge that you will pay.

The total annual fund charge, taken from your plan will depend on which fund(s) you invest in. For the purposes of this illustration, the total annual fund charge, for the My Future investment programme taken from your plan is assumed to be 0.45% a year.

Please read the **Charges explained** document for your employer's scheme provided separately, which includes the actual scheme AMC. If you choose alternative investments the charges may vary from those shown above. Full details of the fund charges are shown in the **Choosing your own investment funds/A guide to your pension**.

How charges reduce the value of your plan

The table below shows the effect of charges and any other deductions over the years, on the value of your plan. This is shown in two ways; how it can affect the value of your pension fund and how it can reduce the growth rate of your pension fund.

The figures have been adjusted to take account of estimated future inflation, giving you an idea of their value in real terms.

The figures shown are based on the assumptions set out in the **Contributions** section of this illustration.

Warning - one effect of charges is that you may get back less than you've paid in, particularly if you transfer out during the early years.

There are no guarantees provided with your plan.

The following figures are based on an individual aged **40** paying a monthly contribution starting at £200 for a term of **25** years.

Pension Fund Value

At end of year	The contributions into your plan	Before charges are taken	After plan and investment charges are taken
1	£2,378	£2,410	£2,400
2	£4,768	£4,900	£4,870
3	£7,170	£7,460	£7,410
4	£9,584	£10,100	£10,000
5	£12,009	£12,800	£12,700
10	£24,315	£27,700	£27,100
15	£36,926	£44,800	£43,300
20	£49,849	£63,600	£60,700
At age 65	£63,091	£83,500	£78,800

Due to rounding down, the amounts in the 3rd and 4th columns may be the same. Without rounding, the amounts in the 3rd column are always higher than those in the 4th column.

Each row shows the effect of charges depending on how long your plan is due to run. For example, if contributions are invested for 25 years, the estimated pension fund value after plan and investment charges have been taken is £78,800.

The last line of the table shows the effect of deductions on all contributions into your plan at age 65.

- After plan and investment charges are taken by age 65, we calculate that the annual rate of return for the entire plan could reduce from 2.3% to 1.8%. This is a reduction in the overall yearly growth rate of 0.5%.
- The overall growth rate mentioned above is a summary based upon the different investments shown in this illustration. The charges on each investment may vary and so the growth rate reduction will differ for each individual investment and may be higher or lower than the overall growth rate.

You can use the figures shown to compare this plan with similar products.

How much adviser remuneration is being paid?

No remuneration will be paid to an adviser for arranging this plan.

What your pension costs – a summary

Assuming you invest in the default investment solution as set out in the **Investment Solution – where contributions are invested** section, you will be charged on average 0.45% of your pension fund value each year.

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