

Terms and conditions of the **Workplace Retirement Account**

These are our standard terms and conditions on which we intend to rely. You should read these terms carefully. If you don't understand anything, please contact us for further information.

This document is aimed at trustees.



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1 Introduction

1.1 About this document

This document describes the conditions that apply to your **account** with us.

This **account** is a contract between you and us.

In this document, unless the context requires otherwise, words in the singular shall include the plural and vice versa and words in the masculine gender shall include the feminine and vice versa. Certain words in the document shown in bold shall have the particular meanings described below.

1.2 What is meant by ‘you’, ‘your’, ‘us’, ‘we’, and ‘our’

You and Your

The trustees from time to time of the **scheme** to whom this **account** has been granted and where applicable may include your agents.

Us, We and Our

Aviva Life & Pensions UK Limited or its successors in title and where applicable may include our agents, including Aviva Investment Solutions UK Limited.

1.3 Other expressions we use in this document

This section explains what we mean by various expressions that we use in this document and any endorsements (notices of changes to the **account**).

Account

The Workplace Retirement account which these terms and conditions, and any endorsements relate to.

Administration headquarters

Means:

PO Box 2282
Salisbury
SP2 2HY

or such other address as we may advise from time to time.

Authorised pension provider

A person who has permission under Part 4 of the Financial Services and Markets Act 2000 to effect or carry out contracts of long-term insurance, or a European Economic Area (EEA) firm of the kind mentioned in paragraph 5(d) of Schedule 3 to the Financial Services and Markets Act 2000 which has permission under that Schedule to effect or carry out contracts of long-term insurance.

Automatic enrolment

The process by which an **employer** enrolls **jobholders** into the **scheme**, as required under **automatic enrolment regulations**.

Automatic enrolment regulations

The provisions relating to pension scheme membership for **jobholders** set out in Part 1 of the Pensions Act 2008, as amended, and supporting secondary legislation (including but not limited to) The Occupational and Personal Pension Scheme (Automatic Enrolment) Regulations 2010, all as amended from time to time.

AVCs

Additional voluntary contributions paid by the **member** or **employer**. These are in addition to any contributions **members** may have to make to the **scheme** as a condition of **scheme** membership.

Client money account

A client segregated bank account where client money is held in accordance with the Financial Conduct Authority Client Money Rules, as amended from time to time.

Client money rules

The client money rules as set out in the Client Asset Sourcebook section of the FCA Handbook.

Daily dealing cut-off point

The price at which investments in the **fund** range are traded is calculated at regular intervals. In order to buy or sell those investments on a particular day, we must receive your **investment instructions** by a particular time, known as the daily dealing cut-off point. That time may be different for different investments. It might be changed from time to time for any particular investment in accordance with these terms and conditions. For more information on daily dealing cut-off points, please contact us.

Designate/Designated

The method by which the **member** can make some or all of their notional account available for **income drawdown**.

Eligible jobholder

A person who meets the requirements of sections 1(1) and 3(1) of the Pensions Act 2008 in relation to the **employer**.

Employer

The principal employer or any other employer who is a participant in the **scheme**, as specified in the documents establishing the **scheme** and the trust deed and **rules** as added to, replaced or amended from time to time. This is the **member's** employer.

External fund

A **fund** managed by an **external fund manager** in which Aviva Life & Pensions UK Limited **funds** may invest.

External fund manager

A company other than Aviva Life & Pensions UK Limited which manages an **external fund**.

FCA

The Financial Conduct Authority and any regulator that may replace its regulatory function.

Funds

The funds available for you to invest **scheme** assets in. They are split into notional **units**.

HMRC

HM Revenue & Customs and any organisation that may replace its relevant function.

Income drawdown

The method by which the **member** can draw directly from their notional account after they have **designated** some or all of their notional account as available for **income drawdown**.

Investment instructions

They must be given by you in writing (by post or email) or by the **member**:

- by direct input onto **the online account**; or
- by telephoning us on **0345 604 9915** for this purpose from time to time; or
- in writing (by post or email).

Jobholder

An **eligible jobholder** or a person who meets the requirements of section 1(1) of the Pensions Act 2008 in relation to the **employer** and who has opted into membership of the **scheme** in accordance with section 7 of the Pensions Act 2008.

Member

A member of your **scheme** who has benefits under this **account**.

Each member has a notional account which holds their benefits.

Memorandum of understanding

Issued with this **account** and setting out **scheme** charges and services included.

Pension credit

Any payment transferred into the **member's** notional account from their former spouse or civil partner's pension as a result of a pension sharing order.

Pension date

The **member's selected retirement date** or another date when the **member** starts taking pension benefits.

Regular contributions

The regular payments made into the **account**.

Rules

The rules of the **scheme**.

Scheme

The registered pension scheme named on the **Memorandum of understanding** we issued with this **account**.

Selected retirement date

The date corresponding to the **member's** retirement age shown on the application form or as advised to us by you, the **employer** or the **member**.

Single contribution

Any payments made into the **account** other than **transfer values** which are not expected to recur on a regular basis.

Transfer value

Any payment transferred into the **account** from another registered pension scheme, a qualifying recognised overseas scheme (if currently accepted) or from another investment within the **scheme** as allowed by the **rules**.

Units

The **account** is a unit-linked account. The **funds** are split up into notional units. Payments into the **account** buy notional units in the **funds** you or the **member** have chosen. We describe this in section 4.3.2.

Written instructions

Instructions in writing sent to us by post to our **administration headquarters**, or where agreed in advance. This shall include notification by email or online. Instructions, written or otherwise, must be in English.

1.4 The law which applies to your account

The law which applies to your **account** is the law of England and Wales. Any reference to a particular Act (which shall be deemed to include a reference to regulations or orders made under the Act) or to a particular regulation or order or a part, includes where appropriate, any amendment, re-enactment or replacement thereof for the time being in force.

Anything we pay under this **account** will be paid in pounds sterling.

Anything paid into this **account** must be paid in pounds sterling.

1.5 Fairness of terms

In making decisions and exercising discretions given to us under these terms and conditions, we will act reasonably and with proper regard to the need to treat you and our other customers fairly.

These terms and conditions will only apply to the **account** provided they are not held by a relevant court or viewed by the **FCA** or us to be unfair contract terms. If a term is unfair it will, as far as possible, still apply but without any part of it which causes it to be unfair.

1.6 Events or circumstances beyond our control

Under the terms of this **account** we shall not be liable to pay you or any other person any compensation for loss due to an event or circumstance beyond our control.

This includes loss caused by any delay in performing our obligations due to restrictions imposed on us by law or regulation.

1.7 Changes to these terms and conditions

We may change these terms and conditions as described in section 12.5.

We will only make changes to the terms of the **account** that we reasonably consider to be proportionate to the underlying reason for the change.

We will give you 30 days' written notice, or as much as it is practicable to give if we are unable to give 30 days' notice.

The proposed changes will take effect from the date stated in the written notification from us to you.

2 Contributions to your account

Each **member** will have a notional account in their own name within the **account**.

An **employer** must give us the information we need to decide how much of each contribution applies to each **member** and how much represents **AVCs**.

Aviva Investment Solutions UK Limited handles the contributions under the **account** and arranges their transfer to Aviva Life & Pensions UK Limited.

We will invest all contributions including **AVCs** in the relevant **member's** notional account.

If we receive any monies with no **written instructions** on where to invest, these monies will remain in a **client money account**, a non-interest bearing account. If no **written instructions** are received after 10 days, monies will be returned to the payee if we are able to do so. No interest is paid on any monies which are held unless we have otherwise agreed in advance and in writing to you.

If requested by you, we can place monies in a trustees unallocated cash account with Aviva Life & Pensions UK Limited. This money is not held as client money in a **client money account**. We will not place any restrictions on any payments into or out of the **account**. You can ask us to pay amounts from this **account** which you at your absolute discretion request us to pay.

2.1 How to make contributions

An **employer** can:

- make **regular contributions** at any time until the earlier of the day before the **member's** 75th birthday or the limit set out in section 2.3;
- change the amount of **regular contributions** at any time;
- make **single contributions** at any time;
- stop contributions at any time; and
- start making contributions again at any time.

If an **employer** is making **regular contributions**, they must pay them by direct debit unless we have agreed another method of payment.

If an **employer** wants to make **single contributions**, they may make them by any method we have agreed in advance.

If a **member** wants to make a **single contribution**, they should make this via payroll, to receive tax relief at their highest marginal rate.

Subject to the **rules** or Trustee authority, we will accept direct payment via a **member** bank transfer (our preferred method). It is the member's responsibility to make the reclaim of any tax relief due from HMRC in this scenario.

2.2 Transfer values

With your authority, the **account** can accept **transfer values** at any time.

2.3 Stopping contributions

Contributions, transfer payments or **pension credits** cannot be paid into the **member's** notional account after they have taken all of their pension benefits and closed their account.

We won't accept any **member** contributions if the **member** has reached age 75.

Subject to the **rules**, employer contributions will continue to be accepted.

Contributions will not be accepted if we have been notified of the **member's** death.

3 Charges

The charges we take are as follows:

- we make deductions from the **funds** before we work out the price of **units**. We describe this in section 4.3.3;
- we may take a percentage of your payments or the **member's** fund value to cover remuneration charges. If we do, this is shown on your **Memorandum of understanding**; and
- we take annual management charges from your **account**. We describe this in section 4.7.

4 Funds and units

4.1 How we place units in the member's notional account

All money must be cleared funds before you can invest it.

Each time we receive **regular contributions**, **single contributions**, **transfer values** or **AVCs**, we will place **units** in the **member's** notional account as described in section 2.

If you have selected a default investment solution, **contributions** will be applied in accordance with that solution unless the **member** has selected an alternative **fund** or **funds**. If they have been automatically enrolled, the first **contribution** under the **account** will be invested in the default investment solution chosen by you.

For the first **contribution** under the **account** or for any **single contribution**, **pension credit** or **transfer value**, we will not purchase **units** in the **member's** notional account, or reserve any **unit** price, until we have all the information we need to meet contractual and legal requirements as well as the contribution, **pension credit** or **transfer value**. The price will only be known at the time we fulfil the **investment instructions**.

We will place **units** in the **funds** you have chosen for the **member**. If you have given us authority to accept the **member's** choice of **funds**, we will place **units** in the **funds** the **member** chooses.

At any time, we may decide not to accept contributions or **transfer values** into a particular **fund**. We describe this in section 4.6.

Aviva Investment Solutions UK Limited will receive the **investment instructions** submitted in relation to the **account** and will arrange their transmission as dealing instructions to Aviva Life & Pensions UK Limited.

4.2 How we work out the number of units to place in accounts

We may take a percentage of the payments made into your **account** as charges. If we do, the percentage of the payments we take as charges will be shown on your **account** schedule.

We will divide the remaining amount of the payment by the price of the **units** in the **funds** that you or the **members** have chosen. The price we use will be the price of the **units** for the working day by which we have received both the payment and valid **investment instructions** relating to that payment, as well as any contractual or legal requirements and any requirements as described in section 4.1. That is subject to all these items being received ahead of the **daily dealing cut-off point**. Otherwise we will use the price for the following working day.

We will round the number of **units** to the nearer 0.0001 part of a **unit**.

4.2.1 Conditional placing of units

With our agreement, you can make use of our arrangement for the conditional placing of **units**, in anticipation of expected **regular contributions** from an **employer**. Under the arrangement, the following additional terms and conditions apply:

- Subject to the condition below being satisfied, we conditionally place **units** under your **account** each time an **employer** submits the contribution data for an anticipated **regular contribution**. The **regular contribution** is treated as being received and cleared for the purposes of sections 2, 3, 4.1 and 4.2.
- The condition is that the **regular contribution** is received from the employer as cleared funds in the **client money account** within three days of the employer submitting the contribution data.
- Pending the condition being fulfilled, the value of the relevant conditionally placed **units** is excluded from (i) any benefit or transfer payments from the **account** and (ii) switches between **funds**.
- If the condition isn't fulfilled, we take back the relevant conditional **units** under your **account** and the allocation to **members'** notional accounts described in section 2 is reversed.
- You must inform **members** about the conditional nature of the **unit** placing and the impact on availability for switching and benefit payments and the possibility of reversal from **members'** notional accounts.

We can withdraw the arrangement for further contributions by giving you 30 days' notice.

In this section, "contribution data" means the payroll data that we require to identify and allocate contributions.

4.3 About the funds

4.3.1 What the funds are

Each **fund** can be identified by a separate pool of assets. Each **fund** is made up of:

- assets invested according to the aims and objectives of the **fund**;
- interest and income from the invested assets and proceeds from the selling of those assets; and
- reduced by the cost of buying and selling assets and the charges described in section 4.3.3.

We may introduce new **funds** at any time.

We may restrict the number of **funds** a **member** can invest in or close **funds** in accordance with these terms and conditions.

4.3.2 Purpose of each fund

We have set up each **fund** so we can work out the benefits we will pay under your **account** and other accounts. The assets in each **fund** are our property. Nothing contained in these terms and conditions will:

- mean that you or any other person has a legal right to or beneficial interest in any of the assets in any **fund**; or
- restrict in any other way how we own the assets in each **fund**.

The **units** we place in your **account** are 'notional **units**'. This means we only use them to work out how much we will pay under your **account**. In managing the **funds**, we may increase or reduce the number of **units** in a **fund**.

If we increase the number of **units**, we will add to the **fund** an amount equal in value to those **units**. If we reduce the number of **units**, we will take from the **fund** an amount equal in value to those **units**.

We will base these values on the price for the date we increase or reduce the number of the **units**.

4.3.3 Deductions from the funds

These may be taken from each **fund**:

- all costs and expenses we have to pay to buy, sell, maintain or value any assets;
- the amount of taxes and levies (other charges we have to pay by law) we reasonably decide are appropriate to the **fund**;
- the amount of money we reasonably believe we should set aside to pay any anticipated future taxes, fees or levies; and
- trustee fees and fees payable to the **FCA** from **funds** invested with an external manager.

The **scheme** AMC is taken by the deduction of **units** on a monthly basis. If charges accrue more frequently or the **member** takes their benefits, dies or transfers the value of their notional account part way through a month, we may take **units** to cover the cost of those extra charges due for that month.

We reserve the right to increase the charges or introduce a fee in the circumstances described in section 12.

4.4 How we value units in each fund

4.4.1 Setting the value of each fund

Acting reasonably, we take the value of the **fund's** assets as follows:

- in the case of freehold or leasehold property, we use a valuation certified by an independent valuer appointed by us and we adjust it to take into account any variation since the valuation;
- in the case of unit trusts and open ended investment companies we use the latest available price, generally quoted daily by the manager;
- in the case of quoted securities, we base the value on the daily price quoted on a relevant stock exchange chosen by us;
- in the case of other assets, we use relevant factors we consider reasonably appropriate and fair to investors, based on available sources of information on prices of those assets.

If we are generally increasing the number of **units** in a **fund**, we will base its value on the amount we would have to pay to acquire the assets, including any taxes, duties, expenses and other charges that would be payable.

If we are generally reducing the number of **units** in a **fund**, we will base its value on the amount we would obtain by selling the assets, reduced by any taxes, duties, expenses and other charges that would be payable.

If the number of **units** in a **fund** is generally neither increasing nor reducing, we may base its value on mid-market prices and without any allowance for the costs of acquiring or selling assets.

If the assets of a **fund** are temporarily suspended, not available for investment or a current price is not available, the most recently available price may be used in calculating the **unit** price for that **fund**, as described in section 4.4.2. Therefore, we may arrange an additional purchase or sale of **fund** assets at a higher or lower value than allowed for in our pricing. Any risk of a difference in price is borne by you.

4.4.2 Working out the price of the fund units

Each **unit** in a **fund** will have a **unit** price. This is the price at which we will place or take one **unit** under your **account**.

We work out the **unit** price by:

- taking the value of the **fund** as described in section 4.4.1;
- taking the deductions we describe in section 4.3.3;
- dividing the resulting value by the total number of **units**; and
- rounding the result to the nearest 0.0001p.

We will keep any gains or suffer any losses due to rounding **unit** prices.

4.5 Switching between funds

4.5.1 What your options are

You can give us **investment instructions** to switch the value of some or all of the **units** placed in a **member's** notional account into **units** in another available **fund** at any time.

You can give us **investment instructions** to redirect future **regular contributions** for a **member** into a different available **fund** at any time after the first contribution paid into the **member's** notional account has been invested.

A **member** can switch and or redirect by completing the request online. We will also accept **written instructions** from you or a **member**, if you have given us the authority to accept a **member's** instructions.

Switch instructions must be received ahead of the **daily dealing cut-off point** to be done the same working day.

4.5.2 When switching is restricted

There may be a delay in switching **units** as described in section 12.6.

We do not currently make a charge for carrying out switches. However, we reserve the right to:

- refuse or delay requests for the switching of **units**; or
- limit the number of switches of **units**; or
- impose charges for switching of **units**,

where we have reasonable grounds to suspect that such switching arises from you or the **member** engaging in:

- activities aiming to take unfair advantage of market timing opportunities; or
- a pattern of short-term or excessive switching; or
- switching patterns likely, in our reasonable opinion, to be disruptive to the **unit** pricing of the affected **funds**.

In exercising our discretion, we will take into account your or the **member's** switching history in a particular **fund** or across all **funds**, aggregate value of holdings of **units** in **funds**, and/or whether the **member** is also a trustee of the **account**.

We will give at least 30 days' notice if this changes or if a charge is introduced and later increases.

4.5.3 Telling us to switch units already in a member's notional account

You can only switch a whole percentage of **units** held in a **member's** notional account into another available **fund**.

We will normally base the value of the **units** to be sold on the price of the **units** for the working day we receive your or the **member's** **written instructions**, providing these are received ahead of the **daily dealing cut-off point**. If the date of receipt is not a working day, we will use the price for the following working day.

If **written instructions** are not received ahead of the **daily dealing cut-off point**, we will use the price for the following working day.

We will normally base the value of **units** to be bought on the price of **units** at the next available **daily dealing cut-off point** after the sale has been completed.

Any changes will be effected in accordance with 12.3.

4.5.4 Telling us to redirect future regular contributions into another available fund

You can only pay a whole percentage of each **member's** future **regular contribution** to each **fund**.

We do not currently make a charge if you decide (or the **member** decides as described in section 4.6.1) to redirect future **regular contributions**. We will tell you if this changes. Any changes will be effected in accordance with 12.3.

We will carry out the redirection when we receive the next contribution after we receive your instructions, or the **member's** **written instructions**, as described in section 4.6.1.

4.5.5 Trade confirmations

Individual trade confirmations may not be issued to **members**. Instead they will always be able to view them within their annual statement, which will be held in their document library on their online account or issued to them.

4.6 Fund changes

4.6.1 What happens if we withdraw, convert, close, merge or sub-divide a fund

We reserve the right at any time to close or withdraw any **fund(s)** 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;

- 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** and the closure of that **external fund**);
- the costs of managing the **fund** becomes 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** including treating customers fairly considerations;
- 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 your ownership or corporate structure where this has a material adverse effect;
- the fund manager makes a change that does not meet our internal governance requirements.

We may stop accepting future **contributions** or **transfer values** into a **fund** at any time for any of the reasons set out in this section. If this happens, you can choose another available **fund** without charge. If you do not tell us which other **fund** you prefer, we will use the **current** default fund for the **scheme**, or a **fund** of our choosing based on risk and investment objectives where no default exists.

We will give you 30 days' written notice before we withdraw or close a **fund**, or as much as it is practicable to give if we are unable to give that much notice. This is unless we reasonably consider that it is in your best interest to move out of the **fund**, in a shorter time or because we are given insufficient notice by the fund manager.

We will use our reasonable endeavours to give you as much notice as possible before we merge or sub-divide a **fund** but the amount of notice we give you will depend on how much notice we have been given of the change.

We will email the notice to you using the last email address we have on our records or by post to the last postal address we have on our records if we do not hold a valid email address.

If by the date a **fund** is withdrawn, converted, merged, sub-divided or closed to new contributions you have not notified us how the monies and/or new contributions that were previously invested in that **fund** should be invested, the monies previously invested in that **fund** and/or new contributions will be allocated by us to the **current** default fund for the **scheme**, or a **fund** of our choosing based on risk and investment objectives where no default exists.

4.6.2 What happens if you make changes to the funds available to members of your scheme

You may also notify us from time to time that a **fund** should no longer be available under the **account**, if you no longer consider it a suitable **fund** for the **scheme**, through your investment duties under the Pensions Act 1995 or otherwise.

In this event, we will not switch current investments or redirect future contributions for any **member** who invests in a **fund** that is to be no longer available unless and until you advise us to do so.

We will assume that you have taken all steps you feel are necessary to communicate to **members** the non-availability of a **fund** prior to making any changes to their notional accounts.

We will also use our reasonable endeavours to add any **funds** where you consider that this is necessary through your investment duties under the Pensions Act 1995 or otherwise.

However, we are under no obligation to add a **fund**.

4.7 How we take annual management charges

Every month we will take **units** from each **fund** in the **members'** notional accounts to cover the cost of annual management charges.

We will take the number of **units** which equal the value of those charges using the **unit** price for that day.

If the **member** takes benefits, dies or you transfer the value of their notional account part way through a month, we may take **units** to cover the cost of management charges due for that month.

We may change the interval at which we take charges.

We will not increase the level of annual management charges unless there are changed circumstances, as described in section 12.2.

4.8 Reinsured funds

Included within the range of **funds** available to the **account** are certain **funds** operated by other life insurance companies. We invest in these **funds** through a reinsurance policy with the other insurance company. The value of a **fund** operated by another insurance company will depend on the value of the assets held by the insurance company in respect of that **fund**. In the unlikely event that the other insurance company failed to meet its obligations in relation to the fund, the value of the **account** would be reduced to reflect that failure.

4.9 Investment programmes

Investment programmes may be available to the **account**. They manage some or all of the **member's** investments in **funds**.

They may apply throughout the term of the **member's** notional account or only during a certain number of years prior to the **member's pension date**.

In this section, when references are made to investment selection, instructions may be given by you or the **member**, as detailed in section 4.5.1.

When an investment programme applies to the **member's** notional account, we will switch the **member's** investments in **funds** and apply any ongoing contributions in accordance with that investment programme. We do not make a charge for carrying out these switches. Usual **account** and **fund** charges apply to investments managed by investment programmes.

The investment programme end date (IPED) will match the **member's selected retirement date** unless you or the **member** tell us otherwise. If you or the **member** change the IPED, this may result in the **member's** existing **fund** holdings being switched and change where any future contributions are invested. You or the **member** may choose a different IPED at any time but it cannot be later than the **selected retirement date**.

If the **member** is automatically enrolled into, or joins an **automatic enrolment** scheme, you can change the investment programme once the first contribution has been invested. Otherwise you can

choose an investment programme when the **member** joins the **account**. After that, you can choose or de-select an investment programme at any time.

If you de-select an investment programme you may need to give us alternative **investment instructions**; we will notify you if this is the case.

We will accept the **member's written instruction** to change an investment programme where you have provided us with your authority to do so.

Where an investment programme does not apply throughout the term of the **member's** notional account, but starts a number of years before the **member's pension date**:

- the investment programme will overlay the investment choice for the **member's** notional **account**;
- where the investment choice for the **member's** notional account includes a **fund** within the investment programme, their total holding in that **fund** will be used to calculate the movements of money into and within the investment programme.

Where an investment programme is managed by us, we reserve the right at all times, acting reasonably, to amend that investment programme from time to time. Where an investment programme is managed by you, you are able to amend the investment programme. This may mean a change to the:

- **funds** within the investment programme;
- mix of **funds** within the investment programme;
- length of the investment programme;
- name of the investment programme;
- risk profile of the investment programme; and
- charges that apply in the investment programme.

As set out above, some of these changes may mean that the charges and/or risk ratings change, and either go up or down to reflect the charges and/or risk ratings of the new **funds** and their relative proportions.

We reserve the right to make such changes to investment programmes managed by us (our investment programme) as are 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 our investment programme;
- changes in how the London Stock Exchange or other relevant investment or regulated markets may work which may impact on the operation of our investment programme;
- changes in investment/share dealing administration or other infrastructure facilities, systems or means of communication which impact the provision and operation of our investment programme;
- changes to services relating to our investment programme supplied to us by third parties which are outside of our control or which require additional expenditure by us;
- changes in circumstances or the happening of any event which means that our investment programme operates in a way which is unfair to you or our other accountholders;

- 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 programme, provided that any such change is not unfair to you or our other accountholders;
- changes required to remedy obvious errors; and
- changes required for appropriate governance to implement legislation or regulatory changes or best practice.

If any or all of the above changes happen, we will make information available about the change; however, we will not write to you or the **member** before any or all changes or ask you or their permission to make any or all of the changes.

After we make any or all of the above changes to the investment programme, we will write to you to inform you of the changes.

In exceptional circumstances we may have to make an alteration to the **member's** notional account to remedy errors. If we do, we may use the current version of the investment programme.

5 The member's pension benefits

The **member's** pension benefits depend on:

- the value of their notional account which is described in section 5.2; and
- the **rules**.

We will only pay benefits from the **account** which are allowed under the **rules**.

We will only pay benefits which are covered under the **account**.

The **member** may be able to take their pension benefits in stages. This depends on the **rules** and any minimum **account** value that we may impose.

The **member** does not need to cease employment before they take their benefits, subject to the **rules**. If the **member** takes their benefits anytime before their 75th birthday and remains in employment, and the **employer** is required to pay contributions to comply with **automatic enrolment regulations**, we may set up a new notional account under the **account** to accept these contributions.

5.1 Providing the member's benefits as an annuity

You can buy the **member's** annuity from us or from another provider under the open market option.

If you buy the annuity from us there may be a minimum amount of pension we will pay.

If you want to buy the **member's** annuity from another provider, we will pay the **member's** tax-free lump sum, if any, first. We will then pay the remaining value of their notional account direct to the other provider.

We will only pay benefits to an **authorised pension provider** and where the payment is allowed by the **rules**.

5.1.1 Providing the member's benefits in other forms

Where the **rules** permit it, the **member** can choose to take benefits in other forms. For example via **income drawdown**. We will provide full details of the options to **member** upon request or as they approach their **selected retirement date**.

5.2 How we value the member's notional account

5.2.1 If the member takes their pension benefits on their selected retirement date

The value of the **member's** notional account is the number of **units** held in the **account** multiplied by the **unit** prices on their **selected retirement date**.

We will use a different **unit** price if we have not received **written instructions** before the **member's selected retirement date**. This will be the **unit** price for the working day after we receive **written instructions** at our **administration headquarters** provided that the investments are traded on that day.

5.2.2 If the member takes their pension benefits before or after their selected retirement date

The value of the **member's** notional account is the number of **units** multiplied by the **unit** prices for the working day after we receive **written instructions** at our **administration headquarters**.

5.3 Refunds of contributions

We may refund the value of the **member's** notional account in accordance with the **rules**.

The total value of the **member's** notional account is the number of **units** multiplied by the **unit** price for the working day we receive **written instructions** and the last of any documents we need to make the refund.

If the refund relates to an opt-out from **automatic enrolment**, an amount equal to the **regular contributions** received by us will be paid to the **employer**.

5.4 Income drawdown (also known as flexi-access drawdown)

5.4.1 The **member** can **designate** some or all of their notional account as available for **income drawdown**, subject to the **rules**. We will set up an **income drawdown** account within the **member's** notional account. There is no minimum amount that has to be **designated**.

There is no investment programme that applies to the **member's** notional **income drawdown** account.

5.4.2 Income can be taken from the **member's** notional **income drawdown** account on an ad hoc basis and/or regular income on a monthly, quarterly, half-yearly or yearly basis. There are no limits on the amount of income that the **member** can withdraw (subject to the necessary value of investments being available in their **income drawdown** account).

5.4.3 Disinvestment strategy – in the absence of any specific instructions from the **member**, we will withdraw/disinvest proportionally from any **funds** held in the **fund** range and if applicable any available cash. For the purpose of automatic disinvestment, these are known as eligible assets. Should their investment in any eligible asset be less than 2% of the total of all eligible assets, it will be excluded from the automatic disinvestment strategy.

Alternatively, the **member** can specify from which investments they wish to take their income by giving us at least 15 working days' notice in the format we specify. In the event that the **member's** disinvestment strategy means that we cannot pay them the level of income they have specified, we will disinvest proportionally (as described above), where possible.

The **member** can provide alternative disinvestment instructions at any time, which will be applied subject to them giving us at least 15 working days' notice in the format we specify.

5.4.4 Following receipt of completed **written instructions**, should we need to sell the **member's** investments to realise cash to provide for a tax-free lump sum or an ad hoc payment, the sale will be transacted either:

- five working days before the **member's selected retirement date**, if the **member** has requested to take benefits on this date and all of our requirements are received at least five working days before the date; or
- on the working day following receipt of the **member's written instructions**, if a date other than their **selected retirement date** has been chosen.

For regular income payments, should we need to sell their investments to provide the payments, the sale would take place on their notional **income drawdown** account 10 working days before the payment's due date.

5.4.5 If the **member** chooses to take full **income drawdown** (full crystallisation) and wants to disinvest the 'maximum' available tax-free lump sum rather than a specific monetary amount, we may disinvest an additional reasonable 'tolerance' amount (e.g. 10%) to allow for any market movement. This will ensure a sufficient amount is available to make the payment.

Any difference between the sale value received by us and the payment will be moved to their notional **income drawdown** account and will be reinvested proportionally into the same fund(s) from those sold. **Unit** price(s) may have changed between the sell and buy dates. We will not be responsible for any losses incurred as a result of a change in **unit** price(s).

5.4.6 If the **member** is using **income drawdown**, charges will continue to be applied to their notional account in accordance with the terms and conditions.

5.4.7 We require at least 10 working days' notice if the **member** wishes to stop taking regular income payments.

5.5 Uncrystallised fund pension lump sum

The **member** can take some or all of their notional account as a lump sum upon request, subject to the **rules**. There is no minimum amount that the **member** can take as a lump sum.

5.6 Taking pension benefits

HMRC rules do not impose any upper limit on the age at which a **member** can begin to take their pension benefits.

Subject to the **rules**, under their notional account, however, the upper limit is 99. By the day before the **member's** 99th birthday, we must have received all completed documents to enable the payment of their pension benefits.

6 What happens when a member dies before retiring?

The benefits we can pay when a **member** dies before they have received pension benefits from their notional account depends on:

- the value of their notional account which we describe in section 6.1; and
- the **rules**.

If you decide to pay a pension to the **member's** spouse, civil partner or dependant, you can buy this pension from us or another provider.

If you buy the pension from us, there may be a minimum amount of pension we will pay.

We will only pay benefits to an **authorised pension provider** and where payment is allowed by the **rules**.

We will pay the value of the notional account directly to the other provider.

6.1 How we value the member's notional account

The value of the **member's** notional account is the number of **units** they hold multiplied by the **unit** price for the working day we receive our last requirements, set out in section 6.2, at our **administration headquarters**.

6.2 What we need to support a claim for death benefits

We will pay the death benefits as instructed by you upon receipt of your written request or a copy of the death certificate.

Subject to an alternative agreement, if we are notified of the **member's** death, we will leave the **member's** fund invested in their notional account in accordance with the **investment instructions** held. This means that the value of their notional account will continue to fluctuate until disinvestment instructions are received from you.

7 What happens when a member dies after retiring?

If the **member** dies after starting their pension, what can be paid depends on how the pension benefits are taken.

8 Surplus funds

When a **member** retires or dies, we will only pay benefits from the **account** which are allowed under the **rules**.

We will refund to you any amount which cannot stay invested in the **member's** notional account to provide future benefits under the **rules**.

If we make a refund, we will take the number of **units** from the **member's** notional account which equal the value of the refund using **unit** prices for that working day.

9 What happens if we pay pension benefits or death benefits late?

If the **member** is taking their pension benefits and we pay the benefits after the **pension date**, or we pay the death benefits later

than the day after we receive our last requirement at our **administration headquarters** then the following will apply:

- if the **member** is retiring, any interest we pay will be from the date we sell the units in their **account**, to the date we pay the benefits; or
- if the **member** dies, any interest we pay will be from the date we sell the units in their **account**, to the date we pay the death benefits.

The amount of interest will depend on the applicable interest rates at that time.

We will not pay interest if it is below our minimum level.

We will not pay interest for any period of delay as described in section 12.6 but in such circumstances we will value the **units** using the **unit** prices which apply immediately after the end of any period of delay.

10 Transferring the value of a member's notional account to another scheme

10.1 About transferring

You can transfer the value of a **member's** notional account to another registered pension scheme or a qualifying recognised overseas pension scheme, as allowed by the **rules**. Once we have made the payment to the other scheme, the **member's** notional account will be closed unless they have requested otherwise.

10.2 How we work out the value of the member's notional account

We multiply the number of **units** in the **member's** notional account by the **unit** price for the working day we receive, at our **administration headquarters**, the last of the documents and information we need to transfer the **account**.

11 What happens if the scheme is not registered with HMRC?

We will not accept any contributions or **transfer values** until your **scheme** is registered with **HMRC**.

We will not accept any further contributions or **transfer values** if:

- **HMRC** refuses to register your **scheme**; or
- **HMRC** withdraws registration.

We will have the right:

- to pay the proceeds of the **account** to you; and
- to take any tax from the proceeds of the **account** which we may have to pay as a result of **HMRC** refusing to register the **scheme** or withdrawing registration. This is described in section 14.

11.1 How we will work out the proceeds of the account

We will work out the proceeds of the **account** by multiplying the number of **units** in the **account** by the **unit** prices for the day we make the refund.

12 Changed circumstances

12.1 Change of investments

We reserve the right to withdraw the default investment solution in respect of past and/or future **contributions**, and to nominate a new default investment solution, at all times acting reasonably and subject to section 4.6.1. We will endeavour to give you at least 30 days' written notice of any change to the default investment solution (outside of any investment programme changes as per section 4.9) applicable to you where it is possible to do so.

12.2 Increasing the annual management charge or the percentage of the contribution we take as charges

We reserve the right to increase or decrease the annual management charges referred to in section 4.7 in respect of all or any of the **funds** held in a **member's** notional account. The circumstances that could lead to an increase in the annual management charges are an increase of the percentage of the **funds** required to cover the costs and expenses of the **funds** and the **account** and increases in costs and expenses resulting from future changes. These costs and expenses are in addition to those explained in section 12.3 and will be deducted as detailed in section 4.3.3.

Future changes in costs and expenses could result from:

- a change in the tax rules, legislation or regulation, or the way such rules are interpreted or applied in practice; or
- increases in our staff or overhead costs;
- increases in the costs of administration;
- increases in the costs of fund managers.

The increase in the annual management charges would reflect such increase in costs and expenses or the fact that they represent a higher percentage of the value of a **fund**. If this happens, we would write to tell you, and any **members** affected, of the change.

We may also increase the percentage of the payment we take as charges referred to in section 4.2 for future contributions or **transfer values** for any of the reasons stated above.

If we need to make any other changes under the **account** then such changes will be carried out in accordance with section 12.5.

By reserving the right to make increases to the annual management charges we are also able to maintain the capital we are required to keep by the Prudential Regulatory Authority and any regulator that may replace its regulatory function from time to time, at a level which would avoid having to apply generally higher charges to the **account**.

12.3 Other charges

Any charges, including **fund** expenses reasonably incurred by the fund manager, that are payable in addition to the annual management charges, will be made available by us to you.

We reserve the right to make changes to or apply new charges at any time in accordance with these terms and conditions. There are a number of circumstances that could lead to a change in charges or the application of new charges. These are a change in costs or expenses as a result of a change in the tax rules, legislation or

regulation or the way such rules are interpreted or applied in practice; if our staff or overhead costs increase; or there are increases in the costs of fund managers. The change in charges would be reasonable and proportionate to such change in costs and expenses. If this happens we would write to you and to all **members** who are affected to tell them of the change.

12.4 Notification of changes to charges

We will write to you three months before we increase our annual management charge.

We will write to you six months before we increase the percentage of the contribution we take as charges.

We will email the notice to you using the last email address we hold or by post to the last postal address we have on our records if we do not hold a valid email address. The change will take place from the date we tell you. During the notice period:

- **employers** can stop making contributions, without paying any extra charges, as described in section 2.1; or
- you can transfer the value of the **member's** notional account to another provider, as described in section 10.

We don't take charges for transferring the value of **member's** notional account to another provider unless we have sent you an endorsement showing we do.

12.5 When we may make changes to the account

12.5.1 We reserve the right from time to time by giving you 30 days' notice to make such changes or additions to the account as are reasonably required to reflect:

- changes in applicable pensions, tax or other law, legislation, regulation or industry codes of practice which affect your **account**;
- changes in how the London Stock Exchange or other relevant investment or regulated markets may work which may impact on the operation of the **account**;
- changes in investment/share dealing administration or other infrastructure facilities, systems or means of communication which impact on the provision and operation of the **account** which are outside of our control or which require additional expenditure by us;
- changes to services relating to the **account** supplied to us by third parties which are outside of our control;
- changes in circumstances or the happening of any event which is outside of our control which means that the provisions of the **account** operate in a way which is unfair to you or our other accountholders;
- changes resulting from the introduction of new systems, services and changes in technology outside of our control;
- changes required to remedy obvious errors; and
- changes in circumstances or the happening of any event which is outside of our control and which makes it impossible, impracticable or economically unviable for us not to make a change to the **account**, provided that any such a change is not unfair to you or our other accountholders.

Where for reasons that are outside our control we are unable to give you three months' notice, we will give you as much notice as is reasonably practicable.

12.5.2 We reserve the right from time to time to make changes or additions to the provisions of the **account** for any administrative or other reason which may, or may not, have a detrimental effect on you and which are not set out in section 12.5.1 above. If you suffer a material detriment as a result of a change or addition under this section, 12.5.1, you may notify us and you will be free to transfer the **account** to another registered pension scheme.

We will email the notice to you using the last email address we hold or by post to the last postal address we have on our records if we do not hold a valid email address.

The change will take place from the date we tell you.

12.6 Changed circumstances affecting transfer payments, refunds, pension benefits and switching

12.6.1 When we will delay paying a transfer or refund, switching, or paying your pension benefits

Due to statutory requirements or events beyond our control, we may temporarily suspend or delay carrying out a request to:

- pay a transfer;
- pay a refund;
- switch **units**;
- redirect future contributions; or
- pay the **member's** pension benefits,

for such periods as may be reasonably required.

We may also decide it is appropriate to take this action in the following circumstances:

- during any time when any of the main stock exchanges or markets are closed or when dealings are restricted or suspended;
- if anything happens which would mean that selling or valuing assets of a **fund** would be impractical or impossible without a significant reduction in price, for example where the **fund** invests in property;
- during any breakdown in any systems of communication (including any computer system) that is normally used in working out the price or the value of any assets or in deciding prices or values of any stock exchange or market;
- during any time the fund manager cannot release funds to make payments on the redemption of such **units**;
- during any time when any transfer of funds involved in the realisation of or purchase of assets or payment due on the redemption of **units** cannot in our, or the fund manager's reasonable opinion, be effected at normal rates of exchange;
- there has been a material change in the value of a large proportion of the assets of the **fund** in question; and/or
- if we, or the fund manager, reasonably believe that due to circumstances outside of our or the fund manager's control continued dealing in **units** may not be fair to potentially affected **members**.

We will tell you that there will be a delay before we carry out the request. We will not delay paying benefits when the **member** dies or takes their pension benefits at their **selected retirement date**.

We may stop all dealings in **units** for a temporary period for any of the reasons set out above and in section 12.5.

We will only do this for as long as it is impractical to allow dealings and generally fair to accountholders whose accounts are invested in the **fund**. If you have **units** in a **fund** which is invested in property, the delay will be for up to six months. Otherwise, it will be for up to one month.

We may extend these periods:

- to match any period of delay, postponement or suspension imposed by the managers of a collective investment scheme or other entity in which the **fund** has holdings;
- for as long as any such scheme or entity is in the process of being wound up; or
- where due to exceptional circumstances we reasonably consider that it is in the interests of accountholders whose accounts are invested in the **fund** to do so.

We will value the **funds** using the **unit** prices which apply immediately after the end of the period of delay.

13 What happens if the scheme is wound up?

We will not accept any further contributions or **transfer values** if the **scheme** is wound up as described in the **rules**.

The value of each **member's** notional account will be used to provide benefits according to the **rules**. We will not pay any benefits under the **rules** which have not been secured under the **account**.

14 Tax

We are granting this **account** on the condition that the business referable to this **account** is treated as pension business (as defined in Section 58 of the Finance Act 2012).

You agree to use all reasonable endeavours to ensure that the **scheme** is and remains a registered pension scheme.

You agree to notify us if the **scheme** ceases to be a registered pension scheme.

If the **scheme** ceases to be a registered pension scheme or this **account** ceases to fall within the definition of pensions business, we have the right to terminate the **account** with immediate effect.

If as a result of the **scheme** not being a registered pension scheme, ceasing to be a registered pension scheme or the **account** ceasing to fall within the definition of pension business, we become liable for any tax, charge, cost or expense (except where such liability has arisen as a result of any act or omission by us), you will discharge that liability. If you do not discharge that liability, we may cancel **units** under this **account** equivalent in value (at the prevailing **unit** price applicable to those **units** at the time of such cancellation) to the amount of that liability. We will cancel **units** proportionately across such **members'** notional accounts as we reasonably believe is appropriate. We will also be entitled to recover any other amount for which we become liable, or the present value of any amount of tax liability, by way of taxation in relation to this **account** or

investments held under this **account**. If you do not discharge that liability the recovery may be made by the deduction from any benefits payable under this **account**. We will use reasonable endeavours to mitigate any such liability.

Payments from this **account** will be subject to any tax deductions required by **HMRC**. The **scheme** administrator described in the **rules** will be accountable to **HMRC** for any tax that is due to be deducted.

15 Conflicts of interest

There may be times when the Aviva group, or its appointed officers, have some form of interest in the business being transacted. If this happens or when the Aviva group becomes aware that its interests, or those of its officers, conflict with your interests, we will take all appropriate steps to manage that conflict of interest. This will be done 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 by contacting us.

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.

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