keyfacts®

Key Features of the Personal Pension

For plans started after 12 December 2004

AVIVA

Key Features of the Personal Pension

The Financial Services Authority is the independent financial services regulator. It requires us, Aviva to give you this important information to help you to decide whether our Personal Pension is right for you. You should read this document carefully so that you understand what you're buying, and then keep it safe for future reference.

Its aim

- To build up a pension fund in a tax-efficient way so you can buy a retirement income.

Your commitment

- To make monthly or yearly payments until your chosen retirement age. Or to make at least one single or transfer payment.
- To keep the plan until your chosen retirement age and then use your pension fund to buy a retirement income.
- To invest for the long term, normally until you are at least aged 55 and you retire. You don't have access to money invested in your pension fund until you buy a retirement income.
- To give up your rights in the other pension scheme if you're making a transfer payment.
- To review your payments and investment regularly.

Risks

- The value of your pension fund can go down as well as up. The fund, and therefore what you get back, may be worth less than the amount that has been paid in.
- What you get back isn't guaranteed. It will depend on investment performance and the cost of buying a retirement income.
- When you retire, your retirement income may be lower than illustrated if:
  - You and/or your employer stop or reduce your payments
  - Investment performance is lower than illustrated
  - The cost of buying a retirement income is more than illustrated
  - You start taking your retirement income earlier than your chosen retirement age
  - Tax rules change
  - Charges increase above those illustrated
- If you're transferring a pension fund from another pension scheme, what you get from this plan at retirement could be very different.
- Depending on the type of scheme you're transferring from, you may be giving up all or some of the following:
  - A guaranteed retirement income that is linked to your pay when you leave the company
  - An increase in your pension fund between now and when you retire; this could be linked to inflation
  - Increases in your retirement income; these could also be linked to inflation
  - A larger tax-free cash sum when you retire
  - Life cover

  Your financial adviser should have shown you what benefits you'd be giving up if you transferred your existing scheme. As part of this, you should have been told if transferring to a plan with us is likely to match or exceed these benefits.

  You also need to think about whether you'd be able to join a new employer's scheme. This is because you may be able to transfer from your existing scheme to this new scheme instead.
- The investment funds you can choose from have different levels of risk. The fund factsheets describe the aim and level of risk of each fund and are available on our website aviva.co.uk/funds/pension-funds.html.
- If you make a single or transfer payment and then cancel the plan within 30 days, you may get back less than you've paid in.
- If you take money out of a with-profit fund, we will pay you the actual value of your investment, which may be less than the quoted value. We may do this even if we're moving the money as part of phased switching. We explain more about this under "Where are my payments invested?"
- In certain circumstances we may need to delay payments, transfers and switching your funds as outlined in your plan terms and conditions. This could be as a result of adverse market conditions or where it would lead to the unfair treatment of other investors. The delay may be up to one month for most funds or up to six months if the fund you're invested in cannot be easily converted to cash. This includes: a property fund or a fund that's fully or partly invested in the form of lands or buildings. After such a delay in cancellation of units, the unit price used will be the price applicable at the end of the deferred period.

Questions and answers

What is the Aviva Personal Pension Plan?

- It's a plan for people aged under 75 who want to invest for retirement in a tax-efficient way.
- It may be suitable for people who are self-employed, or who have an employer which doesn't offer a company pension.

Is it a stakeholder pension?

- The Government has set minimum standards that companies must meet for stakeholder pensions. They are to do with payment levels, costs and terms and conditions. This plan isn't a stakeholder pension because it doesn't meet all the rules the Government has set.
- You need to know that stakeholder pension schemes are also available and may meet your requirements. You may want to get advice from a financial adviser.

How flexible is it?

- You can make one-off payments at any time. You may also make regular monthly or yearly payments. Your payments will be subject to the limits that we set.
- You can increase your regular payments.
- You can reduce your payments, or stop and restart them at a later date. Reducing or stopping your payments will reduce the value of your pension fund. If you want to stop paying you can ask us for more information on how our charges might reduce your pension fund.
- You may be able to transfer your pension fund from another pension scheme to this plan. We recommend that you speak to a financial adviser before you do this to make sure it's suitable for you.

What happens if I contracted-out of the State Second Pension before 6 April 2012?

- From 6 April 2012 the Government stopped contracting out for this type of pension plan. This means that from the 2012/13 tax year, no money from your National Insurance payments will go into this plan. It will go into the State Second Pension instead. The money from your National Insurance payments that went into your plan before 6 April 2012 will be treated in the same way as the rest of your fund.

How much can I pay into my plan each year?

- We have minimum and maximum levels for payments, and we may change these from time to time.
- The minimum regular payment you can make into our personal pension is £200 a month including tax relief or £20 a month if you've invested a single lump sum of £10,000 in your plan.
- HM Revenue & Customs sets the maximum amount that you can pay into the plan and still receive tax relief. We only accept payments that qualify for tax relief.
- There's a payment limit each year which is called the annual allowance. If your total payments exceed the annual allowance the excess will normally be subject to a tax charge. For the 2012/2013 tax year the annual allowance is £50,000.
- When you decide to take your benefits, the total benefit amount is reviewed against your lifetime allowance. If your total benefits exceed your lifetime allowance when you take them, you will be taxed on the amounts over that limit. The standard lifetime allowance for the 2012/13 tax year is £1.5m, and it is expected to remain at this level until at least 2015/16 tax year.
- Your employer can pay into this plan.
- We collect regular monthly and yearly payments by direct debit, and one-off payments by cheque. If you work for an employer, they'll usually take your payments from your salary and send them to us, together with any payments they're making.

What might I get when I retire?

- What you get when you retire will depend on the size of your pension fund and the cost of buying a retirement income.
- The size of your pension fund will depend on how much has been paid in, how long it's invested for, the investment performance of the funds you choose, and charges.
- Your illustration gives you an idea of what you might get.

What choices will I have when I retire?

- You can use your pension fund to buy a retirement income. Or, you can take part of it as tax-free cash and use the rest to buy a smaller retirement income.
- You don't have to use all your pension fund at once. You can buy your retirement income in stages.
- You can take your benefits from age 55.
- Under this plan, Aviva requires you to take benefits by age 75.
- People in some occupations, or who can't carry on working because of ill-health, may be able to use their pension fund to buy a retirement income earlier than age 55.
- You can buy your retirement income from us or from any other provider.
- We'll remind you about the choices you have nearer to your chosen retirement age.

Where are payments to my plan invested?

- You can choose the funds you want to invest in.
- We invest all of the payments in the funds you choose.
- Each fund is divided into units of equal value. We use the payments to buy units in your chosen funds. The value of the units will rise or fall depending on the investment performance of the funds.
- The funds have different aims and levels of risk. The fund factsheets describe the aim and level of risk of each fund and are available on our website aviva.co.uk/funds/pension-funds.html.
- You can change the funds the payments are invested in. We don't charge you for doing this, but we reserve the right to make a charge.

What happens if I don't choose an investment fund?

- We'll automatically invest all payments into the With-Profit Fund.
- With-Profits is a type of investment that shares out fund performance of a with-profit fund to its investors through a system of bonuses.
- We may apply a market value reduction any time money is moved out of a with-profit fund including as part of phased switching. This means we can pay less than the quoted value of the amount taken out. This is most likely to happen following a large or prolonged fall in the stock markets, or after a period where investment returns are regularly below the level we expect. We explain this in more detail in 'A guide to your with-profits investment and how we manage the fund'.

What are the charges?

- We charge for managing your plan. These charges will reduce the value of your plan. We may increase our charges if the cost of managing your plan increases due to changes in taxation, regulation, the law and the cost of fund management. We'll tell you if we do this.

What about tax?

- You'll get tax relief on your payments at the basic rate of tax, even if you're not a taxpayer.
- We'll claim the basic rate tax relief for you from HM Revenue & Customs.
  - For example, if basic rate income tax is 20% and you pay £80 a month, tax relief would add £20 a month. This means that for every £80 you pay, £100 goes into your plan.
- If you pay tax at more than the basic rate, you claim your extra tax relief from your tax office.
- Payments in excess of the annual allowance will normally be subject to a tax charge.
- You don't get tax relief for any money you transfer into this plan from another scheme.
- Your pension fund will grow free of UK income tax and capital gains tax. We pay corporation tax on dividends received from UK shares.
- You can normally take up to 25% of your fund as a tax-free cash sum. You may be able to take more than this if your plan includes a specific type of transfer payment; if this applies to you, we'll let you know.
- You may have to pay income tax on your retirement income. How much income tax you pay will depend on your total income at that time.
- If you die before buying your retirement income, any cash sum we pay will normally be free of inheritance tax.
- This information about tax is based on our understanding of current law and tax practice. Tax rules may change. Future changes in law and tax practice, or your own financial circumstances, could affect your retirement income or how much tax you have to pay.
- A financial adviser can give you more details about your tax position.

What happens to the plan if I die before I retire?

- If you die before you buy your retirement income, we can pay out the value of your pension fund as a cash sum. Alternatively, we can provide a retirement income for your husband, wife, civil partner or dependents.
- If you've arranged your plan under a suitable trust, we'll pay any cash sum to the trustees.

Can I transfer my plan?

- You can transfer the value of your pension fund to another pension scheme at any time before you start taking your retirement income.
- We don't charge for a transfer, but depending on investment performance, the amount we transfer may be less than the total payments to your plan.

Can I change my mind?

- You can change your mind within 30 days from the later of:
  - The day we tell you your plan starts.
  - The day you receive your plan document.
- If you decide you don't want the plan, we'll give you your money back. If you've made a single payment you'll get back your payment minus any fall in the investment value.
- If your plan includes a transfer from another pension scheme, the transferring scheme may not take your transfer back.
- The cancellation notice will include the address you should send it to if you change your mind about your plan. Or, you can contact us at the address given overleaf.
- Your plan will continue if we don't receive your cancellation notice within the 30 days.

How will I know how my plan is doing?

- We'll send you a statement each year showing the payments to your plan and the current fund value.
- You can check the current price of our investment funds by visiting our website

www.aviva.co.uk

Further information

How to contact us

If you'd like more information about your personal pension, we recommend you first contact your financial adviser. Or, if you want to speak to us you can:

Call **08000 68 68 00**
Monday to Friday 08:30am – 5:30pm
Saturday 08:30am – 2pm

Email
helpdesk@aviva.co.uk

Aviva, PO Box 520, Surrey Street, Norwich, NR1 3WG

Other information

How to complain

- If you ever need to complain, you can contact us at:
  Aviva
  Customer Relations
  PO Box 3182
  Norwich
  NR1 3XE

  Call 08000 68 68 00
  Email helpdesk@aviva.co.uk
- If you're not happy with our response, you can write to:
  Financial Ombudsman Service
  South Quay Plaza
  183 Marsh Wall
  London
  E14 9SR

  Call 0845 080 1800
  Email complaint.info@financial-ombudsman.org.uk

This won't affect your legal rights.

Terms and conditions

This Key features document gives you a summary of this plan. You should also read the full terms and conditions. If you need a copy you can get one from us, or your adviser.

Law

The law of England will apply in legal disputes and your contract will be written in English. We'll always write and speak to you in English.

We're regulated by the Financial Services Authority (FSA):

The Financial Services Authority
25 The North Colonnade
Canary Wharf
London
E14 5HS

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 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.

Compensation

Qualified advisers will recommend that you buy products suitable for your needs. You've got legal rights to compensation if it's decided that you've bought a plan that wasn't suitable for your needs at that time.

The Financial Services Compensation Scheme covers your plan. If Aviva becomes insolvent and we can't meet our obligations under your plan, the scheme may cover you for 90% of the total amount of your claim. If you need more information go to www.fscs.org.uk or call 080 7892 7300.

Client classification

The FSA has defined three categories of customer. You've been classed as a 'retail client', which means that you'll be provided with the highest level of protection provided by the FSA rules and guidance.

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