

# Key Features of the With Profits Pension Annuity

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

This Key Features document gives you the main points of the With Profits Pension Annuity plan. Your illustration shows the pension you may get. Please read them so you understand what you're buying and keep them with your plan documents.

## Its aims

- To pay you an income for the rest of your life.
- To pay an income to a dependant when you die, if you choose.
- To reflect our investment performance in your future income.

## Your commitment

- To use your pension fund to buy a With Profits Pension Annuity from us to last the rest of your life.

## Risks

- Your income may change each year. It will depend on the anticipated bonus rate you choose and the actual bonuses we add each year. Your income can go down as well as up.
- The higher the anticipated bonus rate you choose, the greater the risk that your income will go down. Your income could fall, possibly below the starting level.
- What you get back is not guaranteed. It may be lower than illustrated if:
  - our investment performance is lower than illustrated
  - our charges increase
  - With Profits Pension Annuity planholders generally live longer than we expected at the start of their plan.
- You can't cash in your With Profits Pension Annuity, even if your personal circumstances change.
- If you die in the early years, the total income you've received may be less than the original payment made to buy the With Profits Pension Annuity.
- Your dependant won't have any income from this plan after you die if you haven't arranged for your With Profits Pension Annuity to continue.
- Remember, inflation will reduce what your money can buy in the future.

## Questions and answers

### What is the With Profits Pension Annuity?

- It's a plan that provides you with an income for the rest of your life. You buy it with your pension fund.
- You can normally buy a With Profits Pension Annuity if you are at least age 55 and not older than 74 if you are buying a With Profits Pension Annuity (Transfer) or 90 if you are buying a With Profits Pension Annuity (Open Market Option).
- You may be able to take a tax-free cash sum of up to 25% of your pension fund when you buy your With Profits Pension Annuity. If you take the 25% cash lump sum your fund will buy a smaller annuity. Your financial adviser will be able to give you more details.
- The minimum fund to buy your With Profits Pension Annuity is £20,000 (after taking any tax-free cash sum).
- It can provide a dependant with an income when you die.
- We invest your pension fund in our With-Profits Fund. Your income may change each year depending upon the bonuses we add. Please note that future bonuses are not guaranteed and cannot be predicted.
- You choose an anticipated bonus rate within a range of 0 to 4% in 0.25% steps. This will set your initial income. A higher rate will give you a higher initial income but increases the risk that your income may go down in the future.

### How flexible is it?

- Before your plan is set up, you can choose its basis and how it's paid.
- You can find details of the choices you can make when setting up the plan, under the headings:
  - What will my income be?
  - What choices will I have about how I get my With Profits Pension Annuity?
- At any time after the first year, you can:
  - change the anticipated bonus rate within our limits at the time. We'll recalculate your income.
  - convert your plan to a conventional annuity so that your future payments are known. We'll recalculate your income.
- You can't make other changes or cash in your plan.

### What will my income be?

- The amount of income you get from your With Profits Pension Annuity will depend on a number of things, including:
  - your age and sex
  - the choices you make about your income – see below
  - the anticipated bonus rate you choose
  - our With-Profits Fund investment performance
  - our charges.
- Your income may change each year – up or down. The new income will depend on your chosen anticipated bonus rate and the actual bonuses we add.
- The lower the anticipated bonus rate, the greater the potential that your income will increase in the future.
- We guarantee that your income will never fall below a minimum amount. This is the income you could have bought at the start of the plan based upon an anticipated bonus rate of 0%.
- Your illustration gives an idea of the income you might get.
- You can choose to take a smaller income at the start of the plan, so that an income is paid to a dependant if you die before them.
- You can choose to take a smaller income that is guaranteed to be paid for up to ten years even if you die during that time. This is called the guaranteed period.
- You can choose combinations of these options. You can ask for illustrations with different options so that you can see the difference they would make to your income.
- If you are taking a With Profits Pension Annuity using the pension fund belonging to your husband, wife, civil partner or person you were dependent on following their death:
  - a pension for your dependants is not available
  - a guaranteed period of pension is not available
- While you're alive, we won't stop the payments made to you based on the options you've chosen.

## How will my fund be invested?

- We invest your pension fund in the Aviva Life and Pensions UK Ltd With-Profits Sub Fund.
- The With-Profits Fund is invested in a mix of assets, consisting of:
  - company shares (stock market investments)
  - property
  - government bonds (loans to the government)
  - deposits
- You can find more details about how the With-Profits Fund works in the 'A guide to your With Profits Pension Annuity investment and how we manage the With-Profits Fund' booklet.

## What choices will I have about how I get my With Profits Pension Annuity?

- You can choose how often you'll receive your With Profits Pension Annuity income. This can be monthly or yearly.
- You can choose whether the payment is made at the beginning or end of the frequency period. This is known as in advance or in arrears.
- These choices will affect the amount of income you'll get.
- Your income will be paid directly into your UK bank or building society account.

## What happens to my With Profits Pension Annuity when I die?

- Your With Profits Pension Annuity will end when you die unless:
  - you have chosen a With Profits Pension Annuity with a guaranteed period. If you die within that time, we'll pay the remaining income from your With Profits Pension Annuity to your estate, or
  - an income is to be paid to a dependant and they are still alive.

## What are the charges?

- We use the fund to pay our charges for setting up and running your plan. We do this by taking these charges into account when we work out the price of your initial income and when we decide the bonuses to add to your With Profits Pension Annuity each year.
- Your illustration shows our charges and the effect they may have on your income over time.
- The cost of advice is covered within the pricing of the annuity and will be shown on your illustration.
- If we have to issue a rewrite due to information being incorrect or incomplete then we will charge £40 for each rewrite.

## What about tax?

- Your With Profits Pension Annuity payments will be treated as earned income and taxed according to your personal circumstances.
- We will normally make your With Profits Pension Annuity payments after we have deducted the tax payable.
- Any income paid to your or your dependant's estate from your With Profits Pension Annuity may be subject to inheritance tax.
- The government has put a limit on the total value of all retirement benefits (excluding State pensions) that you can normally take without paying a tax penalty. The limit is called the lifetime allowance and the tax is called a lifetime allowance charge. You should already be aware if you are likely to be affected. Your financial adviser will be able to give you more details.
- Please note, we've included only a general tax summary and individual circumstances may differ.
- Tax rules can change.
- Your financial adviser can give you more details about your tax position.

## Can I change my mind?

- You can change your mind within 30 days from the date you sign the declaration on the application form.
- In order to cancel the plan, you must:
  1. Return the enclosed cancellation form which you can find at the back of your illustration.
  2. Return within the 30-day period, all of the tax-free cash sum and any instalments we may have already paid, by cheque made payable to Aviva. Please post this to the address given on the cancellation form. The return of the tax-free cash will only apply if you have selected a With Profits Pension Annuity (Transfer).
  3. Gain agreement from the transferring pension scheme that they are willing to accept the pension funds back. If the pension scheme will not accept this, it is your responsibility to gain agreement from another insurance company to receive the funds.
- If you cancel during the 30-day period, we will refund all payments we have received.
- If you do not cancel within the 30 days, your plan will continue.

## How will I know how my plan is doing?

- We'll send you a yearly statement.

## How to contact us

- Remember your financial adviser will normally be your first point of contact. They'll have provided you with information that contains their contact details.
- If you've any questions at any time, you can phone, e-mail, or write to us.



Call us on 0800 068 6800

Monday to Friday 8.30 am – 5.30 pm  
Saturday 8.30 am – 2.00 pm

Outside of these hours you can use the same number and leave a message on our answerphone.

We may monitor calls to improve our service.



E-mail  
annuity@aviva.co.uk



Office address

Aviva  
Annuity Contact Centre  
PO Box 520  
Colegate  
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

Telephone number: 0800 068 6800  
Website: Helpdesk@aviva.co.uk

- If you are not satisfied with our response, you can write to:

Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London  
E14 9SR

Telephone number: 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 a summary of Aviva's With Profits Pension Annuity. It doesn't include all the terms and conditions.
- You can find further details of the benefits and options available in the terms and conditions document. If you would like a copy, please ask your financial adviser or contact us direct.

## Law

- The law of England will apply in legal disputes and your contract will be written in English. We'll always speak and write to you in English.
- We are regulated by the Financial Services Authority (FSA) whose contact details are:

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

## Potential conflicts of interest

- Occasions can arise where Aviva plc Group Companies, or their appointed officers, will have some form of interest in business which is being transacted.
- If this happens, or the Aviva Group becomes aware that its interests, or those of its officers, conflict with your interests, we will take all reasonable steps to manage that conflict of interest, in whatever manner is considered appropriate in the circumstance. This will be done in a way which ensures all customers are treated fairly and in accordance with proper standards of business.

## Client classification

- The FSA has defined three categories of customer. You have been treated as a retail client, which means that you will be provided with the highest level of protection provided by the FSA rules and guidance.

## Compensation

- Qualified advisers will recommend that you buy products suitable for your needs. You've legal rights to compensation if, at any time, 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 are unable to meet our obligations under this plan, the scheme will normally cover you for 90% of the total amount of your claim. For further information, see [www.fscs.org.uk](http://www.fscs.org.uk) or telephone 020 7892 7300.

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Just call **08000 686 800** or email **helpdesk@aviva.co.uk** and tell us:

- the format you want
- your name and address
- the name or code of the document. The code is usually in the bottom left hand corner on the back of most documents.

The Customer Call Centre is open Monday to Friday, 8.30 am to 5.30 pm, and Saturday from 8.30 am to 2 pm.

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