



# Key features of the Immediate Life Annuity



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**The Financial Conduct Authority is a financial services regulator. It requires us, Aviva, to give you this important information to help you to decide whether our Immediate Life 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 details of the plan. Your illustration shows you the payments you may receive under the plan. Please read them so you understand what you're buying and keep them with your other plan documents.**

**You should seek financial advice to help you understand your options and decide what's best for you. If you don't have a financial adviser, you can find one at [unbiased.co.uk](http://unbiased.co.uk). An adviser may charge for their services.**

**This document assumes that you are the legal owner of this plan. You may be able to take out the plan to cover other people. If you do this then the details in this document setting out what will happen during your lifetime or on your death will apply to them. You will be referred to as "the policyholder/s". You can be an individual or the trustees of a trust. The person or people on whose life/lives it is written are referred to as "the annuitant/s"**

## Its aim

- To pay a guaranteed income for the rest of the life of the annuitant. If there are two annuitants, the income is payable for as long as either of them survive.

## Your commitment

- The policyholder pays us a single payment at the start of the plan.
- When they make that payment, they make a once and for all decision about the kind of plan they want. They won't be able to make any changes once the plan is in place.

## Risks

- The policyholder cannot change or cash in the plan, even if their circumstances change.
- We will not pay out anything on death unless the policyholder chooses a guarantee period or to protect their capital when the policy is set up. You can find out more details in the 'What payments will the policyholder get?' section.
- The policy provides no protection against inflation unless a plan where the payments increase each year is set up. This could still mean that inflation increases at a higher rate than the income provided.
- If you cancel the plan in the first 30 days, we will refund the single payment you have made to us, less any payments we've already made to you and any adviser charge already paid.

## Questions and answers

### What is the Immediate Life Annuity?

- An Immediate Life Annuity is an income plan that can be bought with the policyholder's own money from non-pension sources. It can be bought with savings, investments, an inheritance or the tax-free lump sum from a maturing pension scheme.
- It gives the policyholder an income for the rest of the annuitant's/s' life. The policyholder can take out the plan on their own or jointly with another person as policyholder. It can be written on the life of a single annuitant or two annuitants, and the benefits can reduce on the death of the first of the two annuitants or on the death of a specific annuitant.
- The income starts as soon as the Immediate Life Annuity is set up. There is no medical underwriting for this type of plan.
- You can buy an Immediate Life Annuity with a single annuitant if they're at least age 55 and not older than age 95:
  - where there are two annuitants, both must be at least age 55 but only one of them needs to be not older than age 95
- We reserve the right to allow annuitant(s) under age 55. Aviva's decision will be final, and we'll not discuss our decision with you or any other parties.
- The single payment must be at least £7,500 after deduction of any adviser charge (or £100,000 – after deduction of any adviser charge – if purchased by trustees of a will or settlement).
- The policyholder's personal tax position, and the source of the money used to buy the Immediate Life Annuity, determines how the payments made are taxed. Please see 'What about tax?' for more details.

### How flexible is it?

- As policyholder, you can choose whether the payments from the annuity are made for:
  - the annuitant's lifetime
  - the lifetime of joint annuitantsThe annuitant/s can be the same as the policyholder/s, or different.
- You can find details of other choices available when setting up the plan in the following sections of this document:
  - What payments will the policyholder get?
  - How can the annuity payments be made?
- Once the annuity is set up, it can't be changed or cashed in, and payments can't be deferred.

### What payments will the policyholder get?

- The payments the annuity provides will depend on a number of things when the plan is set up, including:
  - the age of the annuitant/s
  - interest rates at the time
  - the amount of the single payment.
- Unless any of the options below are chosen, the income will remain the same for the lifetime of the policy.
- There are several different options available:
  - smaller payments at the start which increase each year by between 0.5% and 5%.
  - this annuity has a one-year guarantee as standard. This means that if the annuitant/s die(s) we may continue to pay an income to the policyholder/s or their estate until the end of the first year. However, the annuity can provide smaller payments that are guaranteed for up to 10 years, even if all annuitants die during that time. This is called the guarantee period. Please see 'What is a guarantee period?' section on the following page for more information.
  - the annuity can provide smaller payments to protect the capital. This means that when the last annuitant dies, if the total payments (before tax) we've paid are less than the single payment, we'll pay the difference to the policyholder/s or their estate.
  - if there are two annuitants, the payments can reduce when one of them dies. This reduction can be up to 50%.
- The annuity can provide combinations of these options. Illustrations with different options will show the difference it would make to the income the annuity would provide.
- The options selected for the plan will be confirmed in the Plan Schedule.

## How can the annuity payments be made?

- The payments will be paid directly into the policyholder's bank or building society account.
- The annuity payments can be made monthly, quarterly, half-yearly or yearly.
- The payments can be made at the beginning or end of this frequency period.
- The choice of frequency and timing will affect the value of the annuity payments.

## Who owns the policy and the payments made from it?

- The policyholder/s own(s) the policy and all the payments which come from it, in whatever form. If the policy is owned jointly by two people, the benefits belong equally to them during their joint lifetime.

## What happens when a policyholder dies?

- If the policy has one policyholder and that policyholder dies, if they're survived by the/an annuitant, any further benefits payable form part of the policyholder's estate. If an annuitant survives on the death of the first policyholder, any further benefits payable belong entirely to the surviving policyholder. Any benefits remaining payable on their death form part of their estate for Inheritance Tax purposes.

## What happens when an annuitant dies?

- This depends on how the policy is set up:
  - how many annuitants there are
  - if there are two annuitants, whether the benefits reduce on the death of one or other of them
  - whether you've selected a guarantee period or value protection
  - whether all the annuitants have died in the first 90 days, or the first year

You will find full details of the options available in the Terms and Conditions. The options selected for the plan will then be confirmed in the Plan Schedule.

## What is value protection?

- If all annuitants die within 90 days of the plan start date, we'll make a payment to the estate of the policyholder or the last policyholder to die. This will be equivalent to the value of the annuity, minus any payments already made. This payment will include any guarantee period payments.

## What is a guarantee period?

- Aviva offers a minimum one year guarantee period as standard, however a longer guarantee period of up to 10 years is available. If all annuitants die after 90 days but within the chosen guarantee period, we'll continue to make the annuity payments to the policyholder/s or the estate of the last policyholder to die until the end of that period.

## What are the charges?

### Product and investment charges

- We use the single contribution to pay our charges for setting up and running the plan. We do this by taking charges into account when we work out the price of the regular payments.
- The illustration shows how much the single payment will buy.
- No further charges are taken from the regular payments.
- If commission is being paid to a financial adviser, this is covered within the pricing of the annuity and will be shown on the illustration.
- If we need to rewrite the terms of the Immediate Life Annuity due to any information being incorrect or incomplete, then we'll charge £40 each time.

### Adviser charges

- If you have asked us to pay an adviser charge from the single payment, this will be shown on your illustration.

## What about tax?

- If the plan is bought with the policyholder's own money, HM Revenue & Customs (HMRC) is likely to agree that each of the payments can be split into two parts:
  - a capital part – which is tax-free; and
  - an interest part – which is taxable.

We'll deduct tax from the interest part at the basic rate of income tax (see illustration) at the time.

- If the policyholder doesn't pay income tax we may be able to pay the income gross. To do this, let us know and we'll send you the necessary declaration form to complete. This does not apply if the policyholder is a company or the trustees of a trust (including a will trust).
- If the policyholder does pay tax and they've unused Personal Savings Allowance available, they may be able to reclaim some or all of the tax deducted from HMRC.
- The interest part, before tax, is added to your other income for tax purposes to work out how much tax you're ultimately due to pay. This may mean that you move into a higher-rate tax band.
- If HMRC won't agree to us deducting tax only from the interest part, then we'll deduct basic rate tax from the whole of each of your payments.
- We'll send you a tax certificate at the end of each tax year. You must declare the interest part on your annual tax return.
- Any payments made to their estate after the policyholder's death may be subject to inheritance tax.
- Please note that we've provided only a general tax summary and individual circumstances may differ.
- Please contact your financial adviser, if you have one, and they can give you more details about your tax position.
- Tax law and practices could change in the future.

## Can I change my mind?

- The policyholder has the option to cancel the Immediate Life Annuity plan up to 30 days from the date that they receive our confirmation that the annuity plan has started. We'll enclose a cancellation form when we issue this confirmation.
- The cancellation form will include the address to which it should be sent. Alternatively, contact us at the address overleaf.
- If the plan is cancelled, please return any income payments we may have already paid, by cheque made payable to Aviva. These should be returned with the cancellation form.
- We'll refund any single payments, but where you have asked us to pay an adviser charge and this has already been paid this will not be refunded.
- If rates increase during the cancellation period and the cost of buying your plan falls, we reserve the right to give back a lower amount than that which you originally paid for the Immediate Life Annuity.
- If the cancellation form is not returned within the 30-day period, the plan will continue.

## How to contact us

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



Call us on **0800 068 6800**

**Monday to Friday 8am to 8pm,  
Saturday 8.30am to 5pm and  
Sunday 10am to 4pm**

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

Our call centre opening times are correct at the time of publishing this document, but may change in the future.

We may monitor calls to improve our service.



E-mail

**contactus@aviva.com**



Office address

Aviva  
Annuity Contact Centre  
PO Box 520  
Norwich  
NR1 3WG

## Other information

### How to complain

- If you've taken a product out with Aviva and are unhappy with the product or the service you received, you can contact us at:

Aviva  
Customer Relations  
PO Box 3182  
Norwich  
NR1 3XE

Telephone number: **0800 068 6800**

Email: **contactus@aviva.com**

- If you're not satisfied with our response, you may be able to take your complaint to the Financial Ombudsman Service.

The Financial Ombudsman Service can look at most complaints and is free to use. You don't have to accept their decision and will still have the right to take legal action.

Their contact details are:

The Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR

Telephone: **0800 023 4567**

Email: **complaint.info@financial-ombudsman.org.uk**

Website: **financial-ombudsman.org.uk**

The Financial Ombudsman Service normally can't consider your complaint until you've received a final response from us. This doesn't affect your right to take legal proceedings.

## Terms and conditions

- This Key Features document gives a summary of Aviva's Immediate Life Annuity. You should also read the full terms and conditions.
- The policy schedule sets out the structure of benefits provided by the plan, according to the choices made at the time it was purchased.
- If you'd like a copy, please ask your financial adviser, if you have one, or contact us directly using the details above.

## 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 Conduct Authority whose contact details are:

The Financial Conduct Authority,  
12 Endeavour Square  
London  
E20 1JN

We're also regulated by the Prudential Regulation Authority:

The Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA

## 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.

## Customer classification

- The Financial Conduct Authority 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 Financial Conduct Authority rules and guidance.

## Aviva staff remuneration

- Aviva staff are salaried and they receive an annual bonus based upon the overall performance of the Aviva Group.
- Some members of our distribution team may also receive additional bonus, a proportion of which relates to their sales performance.

## 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.
- Your plan is covered by the Financial Services Compensation Scheme. If we become insolvent and we can't meet our obligations under this plan, the scheme may cover you for up to 100% of any successful claim you make.
- For more information on this scheme, please visit [fscs.org.uk](https://www.fscs.org.uk) or call **0800 678 1100** or **0207 741 4100**.

## Solvency Financial Condition Report

Every year we publish a Solvency and Financial Condition report which provides information about our performance, governance, risk profile, solvency and capital management. This report is available for you to read on our website at [aviva.com/investors/regulatory-returns/](https://www.aviva.com/investors/regulatory-returns/)

## Braille, large font, audio material

You can order this document in braille, large font or audio.

Just call **0800 068 6800** or email **contactus@aviva.com** and tell us:

- the format you want
- your name and address
- the code of this document, **AN02001 (07/2021)**.

Our opening hours are Monday to Friday 8am to 8pm,  
Saturday 8.30am to 5pm and Sunday 10am to 4pm.

Our call centre opening times are correct at the time of  
publishing this document, but may change in the future.

Calls may be monitored and will be recorded.

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