Terms and conditions for Company Pension

| Retirement | **Investments** | Insurance | Health |

AVIVA

Terms and conditions

The terms and conditions that apply to your membership of the Group Personal Pension may affect the scope of the policy that Aviva offers you.

In all cases, this policy will be subject to the rules of the Aviva Personal Pension Scheme.

In the policy 'we', 'us' or 'our' are used to mean Aviva Life & Pensions UK Limited.

Governing documents of the scheme

The Aviva Personal Pension Scheme is constituted under a trust. The rules of the Scheme are held subject to that trust. We may amend the rules and trust from time to time, whether to reflect changes in legislation or changes to the way we administer the Scheme. A copy of the rules and the trust are available on request.

Scheme registration and set up

UK scheme

The Scheme is a registered pension scheme under Part 4 of the Finance Act 2004.

Every effort has been made to avoid inconsistency between the rules and the policy. If there is any inconsistency the rules will override this policy.

Arrangements

Your policy is divided into a number of arrangements.

Under current legislation, the benefits from each arrangement can be taken at different dates. This allows you extra flexibility when taking benefits from the policy.

Each arrangement is an individual part of your membership of the Scheme. It is separate from all your other arrangements in the Scheme.

The number of arrangements applicable to your policy will be shown on your plan details.

The number of arrangements will change if you take part of the benefits from your policy. We will tell you if this happens.

Cash value

The amount raised when units are cancelled is the cash value. The cash value raised when units in the With-Profit Fund are cancelled may make an allowance for final bonus and will allow for any market value reduction when applicable. Details of when we will not apply a market value reduction are given in the description of the With-Profit Fund.

Valuation day

Where we use the term valuation day in this policy, we mean the day on which we recalculate the unit price. We will do this at least once a month.

The unit price is the price used for allocating and cancelling units.

Contracting out and Protected Rights

From 6 April 2012 the Government stopped the ability to contract out for defined contribution schemes. Any funds built up from contracted out payments (known as "protected rights") can now be used in the same way as the rest of the pension fund. However, Aviva still identify these funds separately, and we continue to refer to "former protected rights" and "non-protected rights" in this document. "Protected rights" won't apply to you if you take out a plan after 6 April 2012.

Law that applies

This policy is issued in England under the laws of England and Wales.

Currency and place of payment

All payments to us or by us under this policy shall be in the United Kingdom in the currency of the United Kingdom.

Retail Prices Index

The Retail Prices Index (RPI) means the Index published by the (UK) Office for National Statistics, or any other similar index we choose.

Accurate information

We rely on the information that you or your employer give to us. If any of the information given to us is not true or not complete and this might reasonably have affected our decision to provide you with this policy then we may:

- change the terms of this policy;
- restrict the benefits payable under this policy; or
- cancel this policy and refund the payments paid less our reasonable expenses.

If your policy is arranged and set up based on information provided by your employer, you must check the information in the policy documents we send you. You must contact us within 30 days of the start of your policy if any of the information in the policy documents is not true or complete.

Policy changes

We may change the terms of this policy for any of the following reasons:

- to respond, in a proportionate manner, to changes in the way we administer policies of this type;
- to respond, in a proportionate manner, to changes in technology or general practice in the life and pensions industry;
- to respond, in a proportionate manner, to changes in taxation, the law or interpretation of the law, decisions or recommendations of an Ombudsman, regulator or similar person, or any code of practice with which we intend to comply;
- to correct errors, if it is reasonable to do so.

If we consider any variation of these conditions is to your advantage or is necessary to meet regulatory requirements, we may make the change immediately and tell you at a later date.

We will tell you in writing of any change we consider is to your disadvantage (other than any change necessary to meet regulatory requirements) at least 30 days before the change becomes effective, unless it is not possible for us to do this, in which case we will give you as much notice as we can.

No third party rights

This policy does not confer any rights on any person or body other than the parties to the contract. No other person or body shall have any rights pursuant to the Contracts (Rights of Third Parties) Act 1999 to enforce any terms under this policy. The parties may amend or rescind this policy without reference to, or the consent of, any other person or body.

Payments made to this policy

We accept regular payments and single payments (including transfer payments).

We will only accept member payments that qualify for tax relief.

We will agree a collection date for regular payments with you or, if applicable, your employer.

Minimum or maximum levels for such payments will apply and we may change these from time to time (details available on request).

Minimum levels for payments may be made up from your payments and payments from your employer. You may be required to increase your payments if you are to continue to receive employer payments to your plan. Your employer will tell you if this happens.

We may refuse or restrict the level of contributions to comply with changes in taxation, the laws of England and Wales, or our interpretation of the laws of England and Wales. If we restrict contributions, we will tell you at least 30 days before this affects you, unless it is not possible for us to do this.

Stopping regular payments

Regular payments can stop at any time.

In some cases you may be asked to restart payments before the end of any payment holiday you may have agreed. However, you will be able to stop payments again if you want to.

Eligibility

You must be resident in the UK and currently have the intention to remain resident in the UK for the duration of the Policy. The UK does not include the Channel Islands, the Isle of Man or Gibraltar.

You must tell us as soon as possible, if you move outside the UK and your main residence is in another territory or if you start working overseas on secondment from your employer. Laws in the territory you become resident or are on secondment in may affect your ability to continue to benefit fully from the features of your Policy. We may need to change, reduce or remove any of your Policy terms and may affect how much and the period over which you can pay into your plan. We'll give you details once you've told us. You should seek your own independent advice to consider your options after you move to another territory.

Regardless of what is set out elsewhere in these terms we will not be obliged to carry out or comply with any of our rights or obligations under this policy, if to do so would cause, or be reasonably likely to cause, us to breach any law or regulation in any territory.

Transfer payments

This policy may accept transfer payments from the sources set out in the rules. These may be subject to restrictions required by the appropriate government authority. We will confirm the transfer amount we receive to you and tell you how we have dealt with it.

Funds used for this policy

Our With-Profit Fund and a group of investment-linked funds can be used. These may be restricted by your membership of the Group Personal Pension. The number of funds that you can invest in at any one time may be limited. There may be a minimum and maximum number of units that can be held in any fund at one time.

At all times the assets and units of all funds belong to us. We use them to work out the benefits to be provided by this policy.

We can close or merge any existing funds and can change the number and type of funds available. If this affects this policy, we will tell you. We will tell you at least 30 days in advance, unless external factors beyond our control mean that only a shorter notice period is possible. We will tell you of your options when this occurs.

We can also set up new funds at any time.

Investing payments

The investment content of each payment is:

- split and allocated in accordance with the way we are instructed into the appropriate arrangement(s), and
- used to buy units at the unit price in the chosen funds.

The allocation takes place at:

- the next valuation day after we receive a payment, but we reserve the right to use a later unit price if the use of the unit price that we next make available would allow you to use already known market data to your benefit; or
- the date that payment was due, if later.

The investment content of the non-protected rights is split equally between the non-protected arrangements in place at that time.

Default investment approach

We will invest your payments in the default investment approach or default fund that has been selected for you. We will tell you which default investment approach or default fund your payments will be invested in.

You can change where your payments are invested any time after your first payment is applied to your policy.

The default investment approach or default fund may change in the future as a result of the investment advice that we have obtained, your leaving the employment of your employer or the effect of legislation. We may redirect or otherwise alter the investments held under this policy in line with this investment advice and any relevant legislation. If this applies to you then further details of the default investment fund or default investment approach you have been placed in will be sent to you.

You can change where your payments are invested any time after this change has been made.

Investment-Linked funds

(Restrictions may apply as to the availability of these funds.)

Assets

For each investment-linked fund, we decide which assets to include and when to buy and sell them. We do this in line with the fund's investment objectives. Income and gains from these assets are added to the fund. Losses relating to these assets are met from the fund.

We can borrow for the purposes of any investment-linked fund and use its assets as security for a loan.

We can also use financial derivatives, such as futures and options, to assist us in effectively running the funds.

Deductions

We will make the following deductions from each investment fund where we have reasonably incurred or anticipated incurring:

- expenses connected with buying and selling the assets and valuing, owning and maintaining them;
- interest on borrowings;
- taxes, duties, levies and other charges, including our management charges;
- other expenses, taxes, duties, levies or charges which in the opinion of the Actuary should be paid from the fund. (This may include the cost of acquiring, disposing of, maintaining or managing assets of the fund and also other charges on the investment or income of the fund as reasonably determined by us.)

Unit prices

Each investment-linked fund is divided into units. We will value each fund at least once a month.

Each valuation is carried out to fix the buying price and the unit price of units. The unit price will be rounded to the nearest 0.01 pence.

The value of stock exchange investments will be based on quoted prices. The value of interests in land and buildings will be based on the latest valuations we have. However, we may make reasonable adjustments to take account of:

- changes in the prices of land and buildings since the last valuation in line with professional advice;
- regulatory guidance; and/or
- guidance issued by the Royal Institution of Chartered Surveyors (or another equivalent body).

The unit price cannot be more than the maximum unit price. We find this by:

1. valuing the assets of the fund relating to units of that particular type using the prices at which they could be bought plus the buying costs; and
2. dividing this by the number of units of the type in the fund and then rounding to the nearest 0.01 pence.

The unit price cannot be less than the minimum unit price. We find this by:

1. valuing the assets of the fund relating to units of that particular type using the prices at which they could be sold less the selling costs; and
2. dividing this by the number of units of that type in the fund and then rounding to the nearest 0.01 pence

With-Profit Fund

(Restrictions may apply as to the availability of this fund.)

Unit price

Each unit of the With-Profit Fund has a unit price, which is normally determined by Aviva on each working day. In any event it is determined at least once in every month. Each unit of the same type will have the same value.

The unit price will increase as a result of the application of the latest regular bonus rate declared by Aviva. We declare regular bonus rates at least once a year but we don't guarantee to add a regular bonus to your investment each year.

The unit price will be rounded to the nearest 0.01 pence.

Final bonus

We may pay additional sums when units are cancelled in accordance with the way in which we manage the With-Profit Fund. Details of how this is done are currently set out in the 'Principles and Practices of Financial Management (PPFM) for Aviva Life & Pensions UK Limited Old With-Profits Sub-Fund and New With-Profits Sub-Fund'. We also have a 'With-Profits Summary' document which explains the main points about with-profits and our current approach to managing the Old With-Profits Sub-Fund and New With-Profits Sub-Fund, including bonuses. Copies of both documents are available from our website www.aviva.co.uk/ppfm.

Market value reduction

In order to ensure fairness of treatment between policyholders in the With-Profit Fund, on the cancellation of units in this fund we may reduce the value of your pension fund by applying a market value reduction. We'll only apply a market value reduction where the investment performance of the Old With-Profits Sub-Fund and New With-Profits Sub-Fund is lower than that reflected in the bonuses we have already added to your pension fund.

Before the cancellation of units in the With-Profit Fund we will give you written notice if a market value reduction is to be applied. Where you have been notified that a market value reduction is to be applied, you may ask us not to proceed with the cancellation unless you will shortly attain the maximum age by which you must take retirement benefits in line with the Scheme rules.

We may apply a market value reduction when units are cancelled from this fund except:

1. if benefits are being taken at the original retirement date or at the maximum age you can take retirement benefits in line with the Scheme rules providing:
   a. the units being cancelled have been held in the With-Profit Fund for a continuous period of at least five years; or
   b. the units being cancelled relate to continued regular payments at the rate in force five years before the original retirement date; or
   c. the units being cancelled relate to increases in the regular payments referred to in b. above, that are due to automatic increases, either in line with increases previously agreed by us, or due to a change in earnings where regular payments are based on a percentage of earnings.
2. because of your death;
3. to pay for charges.

It should therefore be noted that a market value reduction can still apply at the original retirement date.

Further details about:

- how we increase the price of the with-profit units;
- how this price relates to the underlying performance of the investments we hold under the fund;
- when and in what circumstances we will increase their cash value by applying final bonuses

are currently available in our 'With-Profits Summary' and the 'Principles and Practices of Financial Management (PPFM) for Aviva Life & Pensions UK Limited Old With-Profits Sub-Fund and New With-Profits Sub-Fund. Copies of both documents are available from our website www.aviva.co.uk/ppfm.

Changing investment funds

Throughout the term of the policy you can change the investment funds in which your payments are invested and tell us to redirect future payments into new funds. You can only change investment funds after your first payment is applied to your policy.

By writing to us, you can request that different types of payments are invested in different funds. Your choice may be limited. Any request you make to switch between funds will apply equally to all arrangements of the same payment type.

Once we have received your request, units are switched by cancelling at the unit price enough units to raise the cash value you requested. After we have taken away any switch charge, the rest of this cash value will be used to allocate units at the unit price in the other fund(s) you have chosen.

If one of the Lifestage or Lifestyle investment approaches is chosen, all investments must be moved to the agreed funds and this section will no longer apply.

Cancellation of units

Cancellation of units takes place using the unit price that we:

i. next make available depending on the time the request (together with all our reasonable requirements) is received by us, but we reserve the right to use a later unit price if the use of the next available unit price would allow you or someone acting on your behalf to use already known market data to your benefit; or

ii. next make available on the day you specify if this day is later than the day above; or

iii. next make available on the day on which a cancellation is necessary under the terms of this policy.

The amount raised when units are cancelled is the cash value. The cash value raised when units in the With-Profit Fund are cancelled may make an allowance for final bonuses and will allow for any market value reduction if applicable. Details of when we will not apply a market value reduction are given in the description of the With-Profit Fund.

We can delay the cancellation of units in any investment fund for up to one month. Where a fund invests directly or indirectly in land or buildings we may delay it for up to six months.

Cancellation of units in a fund may be delayed, where we consider that it is reasonable to do so having regard to all the relevant circumstances. We are only likely to consider it reasonable to do so where it is in the interests of the relevant investment or property funds, policyholders in general or individual policyholders, or we are unable to readily realise investments in the investment or property fund. Examples of this may include where:

(i) there is a stock market crash;

(ii) there is a failure in infrastructure, such as the effect of a computer virus in the stock trading system;

(iii) there is physical damage arising from events such as a terrorist attack, an explosion or flood;

(iv) we reasonably consider there is no suitable market upon which to sell the asset(s) of a fund;

(v) there is any interruption of a stock exchange which materially affects the pricing of the units;

(vi) the sale of the asset(s) of a fund would lead to unfairness of treatment between policyholders.

We will tell you if and why a delay is necessary.

Where the unit price depends on the value of a fund that is outside our control, we can delay cancellation until we receive that value.

If we do delay, then the cancellation will take place on the next valuation day after the period of delay has ended, using that day's valuation figures. We will not delay the cancellation of units if a payment is due under the rules, other than a transfer payment before retirement.

In certain circumstances, we may further delay for such period as may reasonably be required, the cancellation, valuation, switching, surrender or any other dealings with the units in or valuation of any fund to either:

(i) match any period of delay or suspension imposed by manager(s) of any entity in which you have funds invested, or

(ii) where due to exceptional circumstances we reasonably consider that it is in the interests of planholders whose plans are invested in the fund to do so.

Cancellation of units to pay for charges will be proportionate between all investment funds in which units have been allocated. We will cancel the units bought most recently in a fund first.

Where applicable, if at any time charges still applying cannot be met by cancelling units, this policy will end without value.

Lifestyle investment approach

(Restrictions may apply as to the availability of this feature)

A Lifestyle investment approach is a choice of investment fund(s) that allows you to progressively move to different funds as you get closer to your chosen retirement age, to help prepare your pension pot for you to take your retirement benefits.

The fund(s) will be determined on the date the lifestyle investment approach starts. We may restrict the funds that can be used under this approach.

Payments will be invested in the funds and in the proportions shown in the policy document. We will automatically redirect all payments at the dates shown.

When payments are redirected we will also start to automatically switch existing units.

Switching units

The number of units to be switched from the fund(s) will be calculated each month as the number of units in a fund divided by:

- the number of calendar months remaining to the original or chosen retirement date, if different; or
- the next payment redirection date, if earlier.

The calculation will:

- include any units that have been allocated in that fund for further payments;
- exclude any units cancelled to pay charges.

Switching will apply equally to all arrangements with the same original or chosen retirement date, if different. If the retirement dates are different for any non-protected and protected rights payments the lifestyle investment approach will operate separately for each.

Units will be switched by cancelling units in the existing fund(s) and using the cash value obtained to allocate units in the new fund(s). Both the cancellation and allocation of units will take place using the unit price fixed on:

- the same day of each month as the original or chosen retirement date, if different; or
- the next valuation day if that day is not a valuation day.

Stopping a lifestyle investment approach

You can stop a lifestyle investment approach at any time. We will stop switching units and no future payment redirections will take place.

You may wish to change funds, or select an alternative lifestyle investment approach or redirect future payments in a different way to the existing lifestyle investment approach. If you do this, the existing approach must be stopped first.

Changing your retirement date

If your retirement date changes, the lifestyle investment approach will automatically stop. You can restart the same or another lifestyle investment approach if there are more than ten years to your new retirement date.

Lifestyle investment approach charges

There is no charge if a lifestyle investment approach is chosen at the start of this policy. If you start or stop the original or any other available lifestyle investment approach during the policy term we will treat this as a change. Two free changes will be available throughout the policy term.

At January 1995 the charge for the next ten changes was £20.00. We can increase this charge on each policy anniversary. It will not be more than £20.00 multiplied by the RPI on 1 September before the policy anniversary and divided by the RPI on 1 September 1994.

For the 13th change onwards the charge will be the greater of 0.5% of the cash value of the whole fund and the charge above.

Lifestage investment approach

(Restrictions may apply as to the availability of this feature.)

A lifestage investment approach is an investment option that actively shapes how your money will be invested. As you get closer to your chosen retirement age, your money is automatically and gradually moved into different funds. This is to help prepare your pension pot for you to take your retirement benefits.

Payments

Payments will be invested to ensure a gradual movement between the funds and in the proportions selected. We calculate how far you are from retirement in order to ensure the correct allocation of units for your lifestage investment approach.

Existing investments

We will also rebalance your existing investments to ensure that they remain in line with the correct allocation of units for your lifestage investment approach and that there is a gradual movement of money between investment funds.

This means we will sell existing units and purchase new units in accordance with the different funds and proportions selected. The number of units to be switched will be calculated by checking how far you are from retirement and determining the correct proportion of units for each fund based on your lifestage investment approach. The frequency (either monthly or quarterly) of rebalancing is shown in the policy features.

Units will be switched by cancelling units in the existing fund(s) and using the cash value obtained to allocate units in existing and or new fund(s) in order to match the correct proportion of units for your lifestage investment approach. Both the cancellation and allocation of units will take place using the unit price available on the same day of the month, which will be the date your birthday falls. If we do not have unit prices available on that day we'll use the nearest previously available unit price.

If the retirement dates are different for any non-protected and protected rights payments the lifestage investment approach will operate separately for each.

Selecting a different Lifestage investment approach

You can select a different Lifestage investment approach to more closely reflect your personal circumstances.

If you move to a different Lifestage investment approach we will rebalance your existing investments to reflect the approach you have selected and how far you are from retirement. Once the initial rebalancing is completed we ensure that it remains in line with the correct allocation of units for your Lifestage investment approach and that there is a gradual movement of money between investment funds.

Stopping a lifestage investment approach

You can stop a lifestage investment approach at any time. We will stop switching units and no future contribution redirections will take place.

You may wish to change funds, or choose a different investment option. If you do this, the existing lifestage investment approach must stop first.

Changing your retirement date

If you choose to change your retirement date before taking your benefits, your investments will be automatically rebalanced to the correct funds and proportions for your new retirement date.

If you do not take your benefits at your original or selected retirement date, your policy will remain invested in the funds and proportions appropriate for your retirement date. We will continue to rebalance your investments to maintain those proportions.

Leaving your employer

If you leave your employer you will continue to be invested in your existing lifestage investment approach. You can stop the lifestage investment approach at any time and invest in alternative funds or investment options. However, if your existing Lifestage Investment Approach is a bespoke approach created by your employer, then if you choose to leave it you will not be able to go back into it at a later date. We will provide you with details of your options at the time.

Target retirement funds investment approach

(Restrictions may apply as to the availability of this feature)

Target Retirement Funds automatically switch units within the fund itself. As you approach your retirement date, the funds will gradually move towards investments that prepare you for the type of benefit you wish to take at retirement.

Changing your retirement date

If you are invested in a Target Retirement Fund and change your retirement date, either by bringing it forward or moving it back, we will move your investments to the position appropriate to the time left until you retire.

Stopping Target retirement funds

You can stop using Target retirement funds at any time by choosing a different fund. We will stop changing your investments and no future payment redirections will take place.

You may wish to change funds or redirect future payments in a different way to the Target retirement funds investment approach. If you do this, the approach must stop.

Phased switching investment approach

(Restrictions may apply as to the availability of this feature.)

Phased switching is an investment approach that automatically switches your investment(s) as you get closer to your chosen retirement age. This is to help prepare your pension pot for you to take your retirement benefits.

This option can apply if there are more than five years to your retirement date.

Start of phased switching

Units will be switched from each of the investment funds chosen to the fund(s) shown in the plan details. Switching will start from five years before the original or chosen retirement date, if different.

Switching will apply equally to all arrangements with the same original or chosen retirement date, if different.

If the retirement dates are different for any non-protected and protected rights payments, phased switching will operate separately for the non-protected and protected benefits.

Future payments will not be automatically redirected when phased switching starts. The payments will continue to be allocated to the funds you've chosen until they are switched in line with this option.

Switching units

The number of units to be switched from the chosen fund(s) will be calculated each month as the number of units in a fund divided by the number of calendar months remaining to the original or chosen retirement date, if different.

The calculation will:

- include any units that have been allocated in that fund for further payments;
- exclude any units cancelled to pay charges.

Units will be switched by cancelling units in the existing fund(s) and using the cash value obtained to allocate units in the new fund(s). Both the cancellation and allocation of units will take place using the unit price fixed on:

- the same day of each month as the original or chosen retirement date, if different; or
- the next valuation day if that day is not a valuation day.

The number of calendar months to the original or chosen retirement date, if different, will not be more than 60.

The investment content of payments that are paid after phased switching starts will be allocated to the funds you have chosen.

Changing your retirement date

If, when we have started to switch units, we agree a different date from which retirement benefits will be paid and there are less than 60 calendar months to that date the automatic switching of units will stop.

If, when we have started to switch units, we agree a different date from which retirement benefits will be paid and there are more than 60 calendar months to that date the switching of units will stop and, unless you tell us not to, we will start to switch units again when the number of calendar months to the new agreed date reaches 60.

Stopping phased switching

If you tell us to, we will stop switching units under this option. You can also cancel phased switching before we have started to switch units.

If you choose one of the lifestage or lifestyle investment approaches, phased switching will no longer apply.

When we may change an investment approach

We may change or remove any investment approach for any of the reasons set out below. This may mean a change to the:

- funds within the investment approach
- mix of funds within the investment approach
- length of the investment approach
- name of the investment approach
- risk profile of the investment approach
- charges that apply in the investment approach

Some of these changes mentioned above may mean the charge and/or risk ratings change. They could go up or down to reflect the charges and/or risk ratings of the new funds and their relative proportions. If any or all the above changes happen, we will make information available about the change. However, we won't write to you before any or all the changes or ask your permission to make any or all the changes. After we make any or all the above changes to the investment approach, we'll tell you about the change as soon as practically possible. This could be up to a year after we make the change.

We reserve the right to make any or all the changes listed in the above bullet points to investment approaches when there are:

- changes in applicable law, regulation (including guidance issued by an appropriate regulator) industry codes of practice or generally accepted industry practice which affect your investment approach
- changes in how the London Stock Exchange or other relevant investment or regulated markets may work which may impact on the operation of your investment approach
- changes in investment/share dealing administration or other infrastructure facilities, systems or means of communication which impact on the provision and operation of your investment approach
- changes to services relating to your plan supplied to us by third parties which are outside of our control which need additional expenditure by us
- changes in circumstances or the happening of any event which means the investment approach operates in a way which is unfair to you or our other policyholders
- 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 approach. We will only do this so long as any such change is not unfair to you or our other policyholders
- changes needed to amend an error where it is reasonable to do so
- changes required for appropriate governance reasons to implement legislation or regulatory changes or best practice.

And the change or changes are in our opinion reasonably required.

You can change your investment instructions at any time.

Charges

Below we outline the charges you may pay on your pension 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.

Allocation Rates

A formula is applied to your payment(s) to determine the amount used to purchase units in your chosen investment fund(s). This formula is known as the Allocation Rate.

The Allocation Rate, determines the investment content of the payments.

Any revised Allocation Rate will apply to all your future payments.

The Allocation Rate applied to your initial payment(s) is shown in your plan details, if applicable.

Annual Fund Charge

This may be made up of an Annual Management Charge and an Annual Fund Charge Adjustment, if applicable. The Annual Fund Charge is the charge that is applied to the policy. Information about these two elements of the annual fund charge are set out below.

Annual Management Charge

On each valuation day we will deduct a management charge from each investment fund.

The annual rate of the management charge for each fund is set from time to time. The amount of the management charge on a valuation day is:

$$\frac{A \times B \times C}{365}$$

A = The rate of charge

B = Value of fund used to calculate the maximum buying price

C = Number of days since the last valuation day

There will be no double charging if a fund invests in units of another of the funds available for this policy.

A similar charge is allowed for when we declare bonus rates for the With-Profit Fund.

We may vary the Annual Management Charge, for any of the following reasons:

- to reflect, in a proportionate manner, changes in costs relating to taxation, the law or decisions or recommendations of an Ombudsman, regulator or similar person;
- where there are changes in the costs of fund management; or
- to reflect changes in the costs, which we reasonably incur in carrying out the administration of this policy.

We will write to you at least 30 days before the change has any effect on you.

Annual Fund Charge Adjustment

The Annual Fund Charge Adjustment is a positive or negative adjustment to the Annual Management Charge. This is dependent on whether the Annual Fund Charge is greater or less than the Annual Management Charge; for example if the Annual Management Charge is 1% and the Annual Fund Charge is 0.75% the Adjustment is 0.25%.

If this adjustment is negative, units will be added to the policy each month beginning one month after the Start date. This will be done proportionately between all funds in which units have been allocated.

If this adjustment is positive, units will be cancelled from the policy each month beginning on the Start date. We will cancel the units bought most recently in a fund first.

The amount of the Annual Fund Charge Adjustment calculated each month

will be:

$$\frac{A \times B}{12}$$

A = The rate of adjustment

B = Cash value of fund

For units in the With-Profit Fund, the value may make an allowance for final bonus.

Different Annual Fund Charge Adjustments may apply to:

- funds built up by different types of payments;
- each different single payment and/or transfer payment if made at different times.

Additional yearly charge

With certain funds you'll have to pay an additional yearly charge, which reflects the extra cost of managing these funds. This charge is paid by cancellation of units. The charge will vary depending on the fund you are invested in.

Fund manager expense charge

A fund manager expense charge (FMEC) may apply for some funds. It covers the fund manager's expenses connected with buying, selling, valuing, owning and maintaining the assets and is taken, generally each day, by reducing the unit price for the fund. It will change in the future when the expenses charged to the fund changes. The charge depends on your choice of funds.

Total additional yearly charge

This is the total sum of the additional yearly charge and any fund manager expense charge (FMEC).

Charges for advice deducted and paid to your/the scheme adviser

Adviser charges may be levied if you have received individual advice from a financial adviser and agreed to pay this charge through your plan.

Adviser charges are paid by cancellation of units from your plan.

Other charges

If we agree to provide you with a service which is not within the range of services normally involved in running this policy we may make a charge. We will tell you how much this will be and how you can pay it.

Retirement benefits, death benefits and transfer payments

Date retirement benefits become payable

The date(s) when retirement benefits were originally due to be paid is shown on your plan details as the original retirement date.

If you change the date, your new retirement date will be shown as your chosen retirement date. You may be able to choose to take retirement benefits from separate arrangements at different times.

When you start taking retirement benefits from an arrangement we may refuse to accept further payments to that arrangement.

In order to ensure that we pay the correct amount of benefit to the correct person we will ask for certain information or documentation to be provided to us.

This information or documentation may include a birth certificate, marriage or civil partnership certificate, bank account details and evidence that the person claiming any benefit under the policy is entitled to do so. We will let you know what evidence needs to be provided at the time it is required and will tell you where this information should be sent.

The retirement benefits available

If you are alive on the original or chosen retirement date, if different, and all our reasonable requirements have been met, then the cash value obtained by cancelling units allocated to each selected arrangement will become payable.

This will be calculated at the unit price fixed on:

- the original or chosen retirement date, if different; or
- the next valuation day if that day is not a valuation day.

If all our reasonable requirements have not been met by the original or chosen retirement date, if different, then the cash value will be calculated and payable at the unit price fixed on:

- the next valuation day after all our reasonable requirements have been met; or
- the last day on which you can take benefits in line with the scheme rules, if earlier, or the next valuation day if that day is not a valuation day.

The cash value will be used to provide retirement benefits in accordance with the rules.

The restrictions on how and when benefits can be paid are in the rules.

If you choose to take benefits as an Uncrystallised Funds Pension Lump Sum or Income Drawdown then the terms and conditions on page 13 will apply.

The amount of death benefits payable

This section does not apply to you if you reach age 75 without giving us any retirement benefit instructions. Under those circumstances, the death benefits available will be those under the annuity created at your 75th birthday.

We will pay benefits if any arrangement still exists when you die. The amount will be the cash value obtained by cancelling units allocated to all remaining arrangements, calculated at the unit price fixed on the next valuation day after we are told of your death. We will not make any payments until all our reasonable requirements have been met.

The rules may allow for the total cash value to be paid as a lump sum or in a different form.

Instead of the lump sum payment, you may choose to use the cash value to buy a pension for your spouse, Civil Partner and/or dependants under the rules. You must tell us about this choice in writing before your death.

To whom we will pay death benefits

If any death benefits are payable and at that time we are satisfied this policy is written under a trust where no beneficial interest in a death benefit could be payable at your direction to:

- your estate; or
- your personal representatives; and
- your estate or personal representatives were not the sole object of the trust at its inception

we will pay the money to the trustee(s) of that trust as a lump sum.

However, if we are not satisfied there is such a trust we will pay the death benefits at our discretion to, or for the benefit of, any one or more of:

- any person or persons, including trustees, whose names you have given us in writing;
- your widow, widower or surviving Civil Partner;
- your children including adopted children;
- your estate.

Instead of a lump sum, the chosen beneficiary may take the value awarded to them as a drawdown pension or an annuity.

Transferring your funds

Where permitted in accordance with the terms of the rules you can transfer your rights to another scheme. We will cancel all the units from the agreed arrangements and transfer the cash value to the other scheme.

We may delay the cancellation of units for the reasons stated in the 'Cancellation of units' section above.

We will not make any payment until all our reasonable requirements are met.

Please look at the 'Cancellation of units' section for details of when units will be cancelled.

Uncrystallised Funds Pension Lump Sum and Income Drawdown

If you choose to take benefits as an Uncrystallised Funds Pension Lump Sum or Income Drawdown then the terms and conditions below will apply.

Defined terms

"Accumulation Funds" means your uncrystallised funds. This is the part of your policy you have not designated as available for Income Drawdown.

"Act" means the Finance Act 2004

"Crystallised" means part or all of your plan has been used to provide benefits and has been tested against the Lifetime Allowance.

"Designate/Designated" means the method by which you make some or all of your policy available for Income Drawdown.

"Income Drawdown" means the method by which you can draw income directly from your policy after you've Designated some or all of your policy as available for Income Drawdown.

"Income Drawdown Funds" means the part of your policy which contains any money you have Crystallised by Designating as available for Income Drawdown.

"Lifetime Allowance" means the government limit on the amount of pension savings you can use to provide pension benefits before additional tax charges may apply.

"Tax-Free Cash" means for the purposes of this amendment document, your Pension Commencement Lump Sum which is the tax-free lump sum paid to you from your policy when you Designate your funds as being available for payment through Income Drawdown.

"Tax Year" means a period of 12 months running from 6th April to 5th April in the following year.

"Terms and Conditions" means the terms and conditions provided to you when you started your policy and any subsequent amendments, including this amendment document.

"Uncrystallised Funds Pension Lump Sum" means a type of lump sum payment that may be made from your Accumulation Funds where you have reached age 55 and which is described in paragraph 4A of Schedule 29 of the Act.

Taking an Uncrystallised Funds Pension Lump Sum from your Policy

You can choose to take benefits in the form of an Uncrystallised Funds Pension Lump Sum at any time from age 55, or such other minimum pension age as may be specified by legislation from time to time, (or earlier if (1) we consider that you are suffering ill-health and are entitled to receive your benefits before age 55 or (2) you have a protected pension age and are entitled to receive your benefits before age 55). All income payments from an Uncrystallised Funds Pension Lump Sum will be made in sterling.

Uncrystallised Funds Pension Lump Sums will be paid subject to the following conditions:

- the maximum amount that you can take as an Uncrystallised Funds Pension Lump Sum is the entire value of your Accumulation Funds;
- your Uncrystallised Funds Pension LumpSum will be funded by deducting a proportionate amount from any former protected and/or non-protected rights. If you have invested in more than one fund a proportionate amount will be deducted from each of your funds, with units being cancelled on a last in first out basis. Units will be cancelled once we have received your instructions and any other documentation that we may reasonably require to proceed and using the unit price available on the date all requirements have been received. For example it may be necessary for evidence of identity to be sent to us where you have changed your name. We will tell you what documentation we need when you contact us about your request to take benefits. Normally we will require your instructions to be in writing but reserve the right to accept verbal instructions subject to our agreement:
- there is no cancellation period associated with the payment of Uncrystallised Funds Pension Lump Sums;
- the payment of Uncrystallised Funds Pension Lump Sums can't be reversed;
- any integrated life cover that you're currently entitled to under your policy will end and will no longer apply.

We reserve the right to vary the conditions that apply in relation to the payment of Uncrystallised Funds Pension Lump Sums in accordance with the amendment provisions of the Terms and Conditions.

Charges related to the payment of Uncrystallised Funds Pension Lump Sums

There are currently no specific charges that apply to the payment of Uncrystallised Funds Pension Lump Sums. However, any potential charges or costs that could impact your pension fund under the Terms and Conditions will continue to apply. For example:

- the payment of an Uncrystallised Funds Pension Lump Sums could incur early exit charges in respect of the units that are cancelled;
- the reduction in your pension fund could mean you no longer qualify to receive large fund rebates and/or loyalty units;

(the above list is not exhaustive and other charges or costs could also be incurred depending on your circumstances and the funds that you have invested in).

We will provide you with details of any charges or costs that will apply when you take an Uncrystallised Funds Pension Lump Sum.

We reserve the right to vary the charges that apply in relation to the payment of Uncrystallised Funds Pension Lump Sums to respond, in a proportionate manner to changes in the costs which we reasonably incur in carrying out administration of Uncrystallised Funds Pension Lump Sums.

We will write to you at least 3 months before the change has any effect on you.

Your investments and Uncrystallised Funds Pension Lump Sum

Taking an Uncrystallised Funds Pension Lump Sum will impact your pension fund and the investments that are held under it.

If automatic switching applies to your policy this will continue to apply to funds remaining in your policy if you take an Uncrystallised Funds Pension Lump Sum. Automatic switching is where units in one fund are cancelled and new units are purchased in a different fund usually to prepare your pension pot for how you intend to take your retirement benefits. Different terms are used to describe this in different product terms and conditions. Examples of the terms used are Lifestyle/Lifestyling, Phased Switching and Lifestage/Lifestaging investment approaches. If you change your selected retirement age at the same time as taking an Uncrystallised Funds Pension Lump Sum this may result in your automatic switching option ceasing or an automatic switch of your investments on the day of the change if a Lifestage/Lifestaging investment approach option applies in line with your Terms and Conditions.

You are responsible for reviewing any changes that are made to your pension fund (including changes to the investment composition and any automatic switching investment approaches) as a consequence of you taking an Uncrystallised Funds Pension Lump Sum. It is your responsibility to ensure that your pension investments remain suitable for your needs.

A market value reduction could be applied and/or final bonus may be added if you cancel units in a with-profits fund in order to take an Uncrystallised Funds Pension Lump Sum. Information about market value reduction is set out in the With-Profit Fund section of your Terms and Conditions.

Taking a Tax-Free Cash payment and starting Income Drawdown from your policy.

You can choose to take benefits in the form of Income Drawdown at any time from age 55, or such other minimum pension age as specified in legislation from time to time, (or earlier if (1) we consider that you are suffering ill-health and are entitled to receive your benefits before age 55 or (2) you have a protected pension age and are entitled to receive your benefits before age 55). All income payments from your Income Drawdown funds will be made in sterling.

To take benefits under Income Drawdown you will first need to Designate some or all of your policy funds as available for Income Drawdown. When you do this a Tax-Free Cash payment may be paid to you which cannot exceed limits set by HMRC.

With the exception of any investment in a with-profits fund the remaining Income Drawdown Funds after deduction of any Tax-Free Cash will stay invested in your selected funds and will be available for you to withdraw as income in future. You may also switch between funds where permitted under your Terms and Conditions subject to the following exclusion. You will not be able to invest any Income Drawdown Funds into a with-profits fund.

On designation of investments in a with-profits fund the remaining amount, after deduction of any Tax-Free Cash, will be switched out of this fund and into an alternative fund. We will tell you which fund we will move your money into. On switching out of a with-profits fund a market value reduction could be applied and/or final bonus may be added. Uncrystallised Funds will not be affected and may continue to be invested in a with-profits fund where available. Information about final bonus and market value reduction are provided in the With-Profit Fund section of your Terms and Conditions.

Tax-Free Cash will be paid from Accumulation Funds and Income Drawdown payments will be made from Income Drawdown Funds.

Tax Free Cash will be funded by deducting a proportionate amount from any former protected and/or non-protected rights. If you have invested in more than one fund a proportionate amount will be deducted from each of your funds, with units being cancelled on a last in first out basis. If you have invested in more than one fund Income Drawdown payments will be funded by deducting a proportionate amount from each fund, with units being cancelled on a last in first out basis. Units will be cancelled once we have received your instructions and any other documentation that we may reasonably require to proceed. For single income payments and Tax-Free Cash payments the unit price available on the date all requirements have been received will be used. For example it may be necessary for evidence of identity to be sent to us where you have changed your name. We will tell you what documentation we need when you contact us about your request to take benefits. Normally we will require your instructions to be in writing but reserve the right to accept verbal instructions subject to our agreement.

Your policy may be split into a number of parts, called arrangements. You may have a number of uncrystallised arrangements. When you crystallise funds, these will be held in one arrangement. Any further funds that are crystallised will be held in this arrangement.

You may only Designate funds for Income Drawdown before your 75th birthday. You cannot hold any Accumulation Funds on or after your 75th birthday and cannot make any further payments in (either single, regular or transfer payments).

If you do not contact us before your 75th birthday and have some Accumulation Funds remaining, we will Designate the remaining funds to Income Drawdown the working day before your 75th birthday on your behalf.

When you Designate to Drawdown any integrated life cover that you're currently entitled to under your policy will end and will no longer apply.

If you wish to transfer your rights under the plan to another pension scheme after Designating to Drawdown we will cancel all the units from Income Drawdown funds and Accumulation Funds and transfer the cash value less any deductions made in accordance with the Terms and Conditions.

Taking Income Drawdown withdrawals from your policy

You may take withdrawals subject to the following conditions:

- withdrawals may be taken as single income payments. We do not currently apply a minimum payment amount but it may be necessary to do this in the future to respond, in a proportionate manner, to changes in the costs which we reasonably incur in carrying out administration of income withdrawals. We will write to you at least 3 months before the change has any effect on you;
- when you first Designate funds to Income Drawdown you will be provided with a cancellation period of 30 days from the date you receive confirmation from us that Income Drawdown has been set up. This is to allow you to consider if you want to proceed. If you exercise your right to cancel, any Income Drawdown withdrawals you have received should be returned to us. If you do not return withdrawals to us the cancellation will not be effective. You can only cancel your income withdrawal option and not your decision to take Tax-Free cash from your plan. If you decide to cancel you will have to tell us what you want to do with your money moved to Income Drawdown. If you don't tell us within 30 days of asking to cancel, then the Income Drawdown terms will continue as set out in these terms and conditions;
- except for a cancellation within the cancellation period the payment of withdrawals under Income Drawdown cannot be reversed;

We reserve the right to vary the conditions that apply in relation to the payment of Income Drawdown in accordance with the amendment provisions of the Terms and Conditions.

Charges relating to Income Drawdown

There are currently no specific charges that apply in relation to the payment of withdrawals under Income Drawdown. However, any potential charges or costs that could impact your pension fund under the Terms and Conditions will continue to apply. For example:

- the payment of a withdrawal could incur early exit charges in respect of the units that are cancelled;
- the reduction in your pension fund could mean that you no longer qualify to receive large fund rebates and/or loyalty units;

(the above list is not exhaustive and other charges or costs could also be incurred depending on your circumstances and the funds that you have invested in).

We will provide you with details of any charges or costs that will apply when you take withdrawals under Income Drawdown. We reserve the right to vary the charges that apply in relation to the payment of withdrawals under Income Drawdown to respond, in a proportionate manner to changes in the costs which we reasonably incur in carrying out administration of income withdrawals.

We will write to you at least 3 months before the change has any effect on you.

Designating funds to take Income Drawdown – Your investments

Designating funds to Income Drawdown can have an impact on your pension fund and the investments that are held under it, including automatic switching. Automatic switching is where units in one fund are cancelled and new units are purchased in a different fund, usually to help prepare your pension pot for how you intend to take your retirement benefits. Different terms are used to describe this in different product terms and conditions. Examples of the terms used are Lifestyle/Lifestyling, Phased Switching and Lifestage/Lifestaging investment approaches. If automatic switching applies to your policy this will continue to apply if you Designate funds to Income Drawdown. This means switching will continue in the same way as if you have not taken benefits. If you change your selected retirement age at the same time as designating to Income Drawdown this may result in your automatic switching option ceasing or an automatic switch of your investments on the day of the change if a Lifestage/Lifestaging investment approach applies in line with your Terms and Conditions.

All automatic switching will cease when you reach your 75th birthday. This means that your pension fund will stay invested in the final funds for your automatic switching profile, but all automatic switching will cease.

You are responsible for reviewing any changes that are made to your pension fund (including changes to the investment composition and any automatic switching investment approaches) as a consequence of you Designating funds to take Income Drawdown. It is your responsibility to ensure that your pension investments remain suitable for your needs.

Adviser charges

Adviser charges are payments that are made to your financial adviser from your policy on your instruction to pay for advice and services that have been provided to you by your adviser.

If you have instructed Aviva to deduct and pay adviser charges from your Accumulation funds, these will continue to be made from your Accumulation Funds where there are sufficient funds to cover such payments.

If the option is available for your plan, you can set up a new instruction to Aviva to deduct and pay adviser charges from your Income Drawdown Funds. We'll do this by cancelling units from your Income Drawdown Funds. We will cancel units for an initial adviser charge on the same day your income drawdown funds are created. We will cancel units for an ongoing adviser charge starting from the next available monthly charge date (which is the same day each month as the start date of your plan), and monthly thereafter for the agreed term of the charge.

Get in touch

If there's something you want to know about your company pension scheme, you should ask your employer first. If you'd like to speak to us directly, please use the contact details below.

Call 0800 145 5744

Email contactus@aviva.com

Write to Aviva
PO Box 520
Surrey Street
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NR1 3WG

Lines are open Monday to Friday, 9am to 5pm.
Calls may be recorded to make sure we're doing a good job.

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