

Please take some time to read this guide. It's important you understand what this pension product is, and what the benefits and risks involved are. Please keep a copy of this document in a safe place. If you're reading on a screen and anything isn't displaying properly, please ask your employer for a printed copy.

Your company stakeholder pension scheme

An essential guide for employees

What's inside

Please be aware that this guide isn't intended to provide personalised advice or give personal recommendations. If you need a personal recommendation, you should seek financial advice. Your employer may have lined up a financial adviser that you can speak to. Alternatively, you can visit unbiased.co.uk to find an adviser in your area. An adviser may charge a fee for this service.

Introduction

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If you're an existing customer and you've applied for a transfer-in, additional payments or similar, you can skip ahead to the 'Important information' section.

The more attention you give your pension today, the more you could benefit tomorrow.

Introducing your company stakeholder pension scheme

Dear colleague,

If you want to make the most of your retirement years, it's so important to prepare well.

The simple fact is, the sooner you start putting some money aside for it, the greater your chances of being able to afford the retirement you want. And that's why we're so pleased to introduce our company stakeholder pension scheme to you today.

A key part of your benefits package

Our company stakeholder pension scheme is one of the most important parts of your benefits package.

It gives you a way of building up a pot of money that you can use to help fund your retirement. And any money paid in may also benefit from tax relief from the government.

About this guide

Your company stakeholder pension scheme is run by Aviva, who have many years of experience with pension and retirement plans. They've put together this guide to explain – in plain English – all the essential things you need to know about the scheme. It describes what our company stakeholder pension is, what your investment options are and what to do next.

We hope you find it useful. You can also find lots more information online at aviva.co.uk/pension-essentials

Your company stakeholder pension explained – what's in it for you?

Your company stakeholder pension scheme gives you an easy, hassle-free way to start investing for your life after work. Here's an explanation of how the scheme works and the main benefits for you.

It's a great way to prepare for your future

Whether it's a long way off or just around the corner, one day you'll retire. And if you want to enjoy as good a lifestyle then as the one you have now, you'll need a substantial amount of money to live off. After all, your living costs won't come to an end just because you've stopped working.

Your company stakeholder pension scheme is a great way of building up a pot of money. It's designed to help you build up a pension pot over a period of time, which you can then use in retirement.

How the company stakeholder pension scheme works

1. You make payments into your pension plan, and your employer might do, too. You don't pay any tax or national insurance on payments your employer makes, and you get tax relief on any payments you make yourself (see below for more details).
2. This money is then invested in line with whichever investment option you've chosen.
3. We charge for managing your plan and the funds you invest in may have extra charges. The total of these charges will not exceed 1% of your fund per year. These charges will reduce the value of your pension plan.
4. Every year we'll send you a statement showing the latest value of your pension plan, and an illustration showing what you might get at your chosen retirement age. You can also check online by signing up to MyAviva - visit [aviva.co.uk/existing-customers/](https://www.aviva.co.uk/existing-customers/) to find out more.
5. When you reach your chosen retirement age, you can use the money you've built up to provide yourself with retirement benefits. There are various ways of doing this. So we'll write to you well in advance to spell out your options.

For more details about how the scheme works, read the 'Key features' and 'Terms and conditions' later in this guide.

Plus you get all of these benefits

Tax relief from the government

It may sound too good to be true, but the government will actually help you plan for your retirement. For every 80p you pay into your pension plan, the government adds 20p in tax relief, boosting it to a total contribution of £1. For instance:

If you pay in:	£800
The taxman adds:	£200
So the total into your pension plan is:	£1,000

This example shows how tax relief works for basic-rate Taxpayers. Your contributions are deducted after tax is calculated, and Aviva claims basic rate tax relief on your behalf and adds it to your pension plan. If you pay tax at more than the basic rate, you can claim even more tax relief when you complete your annual self-assessment tax return.

You're allowed to pay up to £3,600 or 100% of your taxable salary (whichever is higher) into your company stakeholder pension each year. However, there are limits on the amount of tax relief you can get on your payments each year. This is based on current tax rules and tax rules may change in the future. Visit gov.uk for details.

Contributions from your employer

Even better, with some schemes it isn't just the government who will help you out. Your employer might pay in too, – giving your pension plan an extra boost. Your employer will be able to give you details on how they will help with your contributions.

Locked away until at least age 55

Once money is in your pension plan, it normally stays locked away until you reach age 55. So even if you're tempted, there's no way you can spend it. When you are ready to take your retirement benefits you will have a number of different options about how you can use your pension pot including taking an income, lump sum or a combination of both of these.

Potential investment growth

The money that goes into your pension plan doesn't just sit in a vault somewhere, gathering dust; it's invested. This gives it the potential to grow over time, so you could end up with more money than has been paid in.

Just remember that, as with any investment, the value of your pension plan can go down as well as up, so it may be worth less than the amount paid in. It's important to think about the long-term though. What matters is what your pension is worth when you choose to take your retirement benefits.

To find out how much your pension could be worth, please use our retirement planner aviva.co.uk/retirement/tools-and-calculators/my-retirement-planner/

Why start now?

You've probably heard this before, but the earlier you start paying into a pension plan, the better. Why? Because if you leave it until later, it's likely you'd have to pay in a lot more of your salary just to build up a similar sized pension pot. It's also true that the longer your money is invested, the more time it has to grow.

And don't forget – the sooner you begin, the sooner you can start benefitting from tax relief.

Deciding where to invest

Not everyone realises this, but the money you pay into your pension plan doesn't go into a savings account of some sort. It's invested, usually into one or more investment funds. And you can decide which ones.

Why your investment matters

Paying into your pension plan is an important first step. But knowing where your payments are invested is important, too. That's because the better this investment performs, the more money you could have when you come to take your retirement benefits. And, of course, the reverse is also true: if the investment under-performs, it could lead to you having less.

Two things to consider

Your employer's company stakeholder pension scheme gives you a choice of investment options to pick from (explained overleaf). If you don't pick one yourself, your money will be invested using the default option for this pension scheme. But if you want to make your own choice, here are a couple of things we recommend thinking about first:

1. How much involvement do you want to have?

Are you happy leaving your investment decisions to someone else? Or would you prefer to have full control over how your pension plan is invested? Your company stakeholder pension scheme gives you two sets of options:

- **Low involvement:** For people who'd rather take a hands-off approach, making few or even no investment decisions. Your money will be invested using a pre-set investment approach, so the investment decisions are made for you.
- **High involvement:** For people who want to be more involved in deciding how their pension plan is invested, and who want to choose their own investment funds.

We've indicated which options are low-involvement, and which are high, in our descriptions of the investment options available for this scheme (see overleaf).

2. What's your attitude to investment risk and return?

Your company stakeholder pension scheme offers investment options to suit different types of investor – depending on the investment risk you're comfortable with, and the returns you're looking for.

Generally speaking, the higher risk an investment, the greater its potential for making higher returns. The downside is that its value is likely to fluctuate more, so there's a greater chance of losing money (especially over the short term). With lower risk investments there's less chance of you losing money, but the returns they're capable of tend to be lower and could possibly struggle to keep up with inflation.

Risk is the possibility of losing money.

Return is any gain on top of the original amount you invested.

It's important to choose an investment option that's suitable for the level of investment risk you're comfortable with. And remember that whichever option you choose, the value of your pension plan can go down as well as up, and it may be worth less than the amount paid in.

For more information about risk and return, visit our investment centre at aviva.co.uk/pension-essentials

What if I don't make a choice?

If you don't make an investment choice, we'll invest your payments using the default investment option for your pension scheme.

Can I change my mind later?

Yes, you can change your investment choice at any time. You can do this by contacting us (see the 'Key Features' section of this document), or by signing up to MyAviva - visit aviva.co.uk/existing-customers/ to find out more.

The investment options you can choose

You can decide where to invest the money that goes into your pension plan. Here are the options available for your company stakeholder pension scheme.

The funds you invest in may have extra charges. You can find the details of these charges online at <http://www.aviva.co.uk/pension-essentials/investment-centre/>

1. The default option

Risk/return rating: Varies, depending on the funds involved

High or low involvement? Low

Overview: Your company stakeholder pension scheme has a default investment option, which your employer has chosen. Your employer will tell you what the default option is for this scheme, and which investment funds it uses.

How it works: If you don't choose another investment option, we'll invest your pension payments into the default option. However, if you'd prefer to make your own decision about where to invest your money, you can. Just choose one of the other investment options listed in this section.

Your employer may also offer other investment options for you to choose from, which they will tell you more about when they explain the default option to you.

If your employer hasn't chosen a default option for your company stakeholder pension scheme and you don't make your own investment choice, Aviva will invest your payments into the Stakeholder Mixed Investment Annuity Lifestyle approach. To find out more about this visit our investment centre by visiting aviva.co.uk/pension-essentials/investment-centre/investment-options/low-involvement.html.

Please remember that the value of investments can go down as well as up, so the value of your pension plan could be less than the amount paid in.

2. Choose your own funds

Risk/return rating: Varies, depending on which funds you choose

High or low involvement? High involvement

Overview: The most hands-on investment option you can pick, designed for experienced investors who are comfortable making their own investment decisions.

How it works: Choose from our range of 50+ funds – to create a portfolio that's perfectly suited to you. For details and fund factsheets of all the funds you can pick, visit aviva.co.uk/pensionfund-info.

If you choose this option, it's important you review your fund choices at regular intervals.

Please remember that the value of investments can go down as well as up, so the value of your pension plan could be less than the amount paid in.

3. Other investment options

Risk/return rating: Various

High or low involvement? Various

Overview: As well as the investment options listed above, we offer a number of alternative options. These are for people who prefer a more hands-off approach, where your money is automatically moved into different types of funds as you approach retirement. To see these options, visit our investment centre at [aviva.co.uk/pension-essentials](https://www.aviva.co.uk/pension-essentials)

How it works: If you want to choose one of these alternative options, follow the same instructions listed under the 'How to select your investment option' heading, below.

Please remember that the value of investments can go down as well as up, so the value of your pension plan could be less than the amount paid in.

How to select your investment option

If you're happy using the default option for this scheme, you don't need to do a thing. Your payments will be automatically invested into the default option.

But if you'd prefer to pick your own investment option, here's what to do:

- 1. Choose your investment option.** You can pick from any of the options listed in this section of the guide. For more information about them and the funds available, please visit our investment centre at [aviva.co.uk/pension-essentials](https://www.aviva.co.uk/pension-essentials)
- 2. Let us know which option you want to use.** To do this, you can tell your employer when you join the scheme. Or you can call our group pension helpdesk on 0800 145 5744 (we're open Monday to Friday, 9am to 5pm).

If you have been automatically enrolled into the pension scheme, your money will automatically be invested in the default option at first. You can change your investment option anytime after you've joined the scheme by calling our group pension helpdesk on 0800 145 5744 (we're open Monday to Friday, 9am to 5pm).

Not sure which option to pick? You might find it useful to speak to a financial adviser.
Find one near you at www.unbiased.co.uk

Your questions answered

Is there something you'd like to know about your company stakeholder pension scheme? Here are answers to the questions people often ask.

Just remember that, as with any investment, the value of your pension plan can go down as well as up, so it may be worth less than the amount paid in.

General

Can I be a member of the scheme?

Your employer will tell you if you're eligible to be a member of the pension scheme. As far as we're concerned, you can join if:

- a) You're permanently resident* in the UK, or
- b) You're working overseas for the UK government (a Crown servant).

You need to tell us if:

- a) You are no longer permanently resident* in the UK, or
- b) You stop working overseas for the UK government (a Crown servant), or
- c) You stop receiving earnings which are subject to UK income tax as this may affect how much you can pay into your plan.

*For these purposes, broadly, we define 'permanently resident in the UK', as living in the UK for all or most of a particular tax year (a minimum of 183 days), and living in the UK when the pension plan starts.

What happens at my chosen retirement age?

When you are ready to take your retirement benefits you will have a number of different options about how you can use your pension pot including taking an income, lump sum or a combination of both of these.

We'll write to you before your chosen retirement age to let you know what your options are. You can also find out more in our 'Retirement centre', at aviva.co.uk/retirement/approaching-retirement/

Can I change my chosen retirement age?

Absolutely. Whether you want to bring it forward or move it back, all you need to do is speak to your employer. Just be aware that you can't usually take your retirement benefits before age 55, and if you want to wait until after age 75, you'll need to move your pension plan to another provider or pension

product, before your 75th birthday. If you want to wait to take your retirement benefits until after age 75, we recommend you seek financial advice first.

What happens to my pension if I leave my employer?

Your pension plan belongs to you. So if you move jobs, it moves with you. This means you can carry on paying into it. There will be some limitations on your investment options, though. We can discuss these with you if you leave your employer and want to make some changes.

What is a pre-determined investment approach?

A pre-determined investment approach is a way of investing for your retirement without having to be too hands-on in managing your pension plan. It is a pre-determined investment path on which, at various stages, we'll automatically move your money between carefully chosen funds. For a full explanation of these approaches, please visit our investment centre at aviva.co.uk/pension-essentials.

If I choose a pre-determined investment approach, will the funds in it ever change?

They might do. We closely monitor the funds in all our investment approaches. If we find one that isn't performing as it should, we may swap it for a fund that's better suited to the objectives of your investment approach. Certain events in the market can also lead to a fund being closed, renamed or changed.

Usually, we'll only swap funds for similar ones. For example, if one of your funds invests mainly in UK shares, we'll swap it for another fund that invests mainly in UK shares. A low-risk fund won't usually be swapped for a high-risk fund, and vice versa.

What happens to my pre-determined investment approach if I change my chosen retirement age?

This depends on the type of pre-determined investment approach you're invested in.

Lifestage investment approach

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

Lifestyle and Phased Switching

If you choose to change your retirement age before taking your benefits, your lifestyling or phased switching approach will automatically stop. You can restart the same or another approach if there are more than five years to your new chosen retirement age. For full details, please see the Terms and Conditions.

What happens if I don't take my money at my chosen retirement age?

This depends on the type of pre-determined investment approach you're invested in.

Lifestage investment approach

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

Lifestyle and Phased Switching

If you do not take your benefits at your original or chosen retirement age, your lifestyling or phased switching approach will automatically stop and no further automatic switching of units will take place.

If I want to choose my own funds, how should I decide what to pick?

Whichever funds you pick, it's important that they're suitable for your attitude to investment risk and how close to retirement you are. And if you're at all unsure, you should speak to a financial adviser first.

You should also note the charges you'll have to pay for the fund(s) you pick, and what types of asset they invest in. There are four different types of asset (shares, cash, bonds and property), and you may want to consider using elements of all of them to create a balanced portfolio.

For more information about asset types, the funds you can choose, and the charges and risks associated with them, visit our investment centre at aviva.co.uk/pension-essentials/investment-centre/

We recommend you speak to a financial adviser before you make any decisions. If you don't already have an adviser, you can find one at unbiased.co.uk

A financial adviser may charge a fee for their service.

What happens to my investments if I leave the company?

Your money will stay in the investment option you've chosen if you leave, so long as you don't transfer your pension plan to another scheme. If you'd prefer to move out of your current investment approach, let us know and we'll tell you what your options are.

Can't find the answer you're looking for? For more detailed information see the 'Key features' section, next.

Key Features of the Company Stakeholder Pension

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 Company Stakeholder Pension 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.

Its aim

- To build up a pension pot for your retirement in a tax-efficient way.

Your commitment

- To make monthly or yearly payments until your chosen retirement age. Or to make at least one single or transfer payment.
- You're not committed to sending us any payments if you're in an employer scheme where you don't have to make any payment. Instead, your employer may make payments into your plan.
- To keep the plan until your chosen retirement age.
- To invest for the long term, normally until you are at least 55. You don't usually have access to your pension pot before this time.
- To give up your rights in the other pension scheme if you're making a transfer payment.
- To tell us about changes that might affect your plan. Full details of what you must tell us are in the 'Your questions answered' section under 'Can I be a member of the scheme?' on page 10.

Risks

- The value of your pension pot can go down as well as up and may be worth less than the amount paid in. Different investment funds carry a different level of investment risk, so it is important that you are happy with the way your money is invested. Visit our investment centre at [aviva.co.uk/pension-essentials](https://www.aviva.co.uk/pension-essentials) for more information.
- Your personal illustration will give you an example of what you might get back. However, the amount you receive may be lower than that shown in your illustration. This could happen if:
 - you and/or your employer stop or reduce your payments
 - investment performance is lower than illustrated
 - the cost of converting your pension pot into an income for life is more than illustrated
 - you start taking your retirement benefits earlier than your chosen retirement age
 - tax rules change
 - charges increase above those illustrated.

Risks of transfer payments

- If you're transferring a pension fund from another pension scheme, what you get from this plan 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 pot 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 can show you what benefits you'd be giving up if you transferred from your existing scheme. As part of this, they can tell you if transferring to this plan is likely to match or exceed those benefits and how charges may differ.

Transferring pensions is not right for everyone. It could be a complex decision and you need to consider the charges, fund ranges, any valuable benefits that could be lost and any tax implications.

There's no guarantee that you'll be better off by transferring. Remember that the value of your pension can go down as well as up and you may get back less than has been paid in.

- If you are thinking about transferring your existing pension to us, we strongly recommend you seek financial advice. Your Employer will be able to tell you if a Financial Adviser is supporting your pension scheme with us who you can speak to. Alternatively, you can find your own adviser at [unbiased.co.uk](https://www.unbiased.co.uk). If you want to transfer without using a Financial Adviser, acceptance will be subject to certain criteria. For example, we cannot accept transfers from contracts where you may lose valuable guarantees or benefits that are in place with your existing pension.
- During the transfer process your money will not be invested meaning you will not benefit from any rise in the price of investments during that period.

- Your existing provider may charge you for moving your money, known as an early exit penalty. We will not charge you for transferring to us but your invested transfer fund will be subject to the annual fund charge on your policy.
- If you make a regular payment, a single payment or transfer payment and cancel within 30 days, we may pay back less than the amount paid in if investment values have fallen. The transferring scheme may not take back the transfer.
- In certain circumstances, we may need to delay payments, transfers and switching funds as outlined in your plan terms and conditions. This could be as a result of adverse market conditions or where it leads 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 can't easily be converted to cash. This includes:
 - a property fund or;
 - a fund that's fully or partly invested in the form of land or buildings.

In certain circumstances we may further delay the cancellation of units in any investment fund:

- To match any delay or suspension imposed by the manager(s) of any entity in which the fund has holdings; or
- 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.

After a delay, we will use the unit price that applies at the end of the deferred period. You can find out more about this in the terms and conditions. We'll let you know if and why we need to delay payments, transfers and switching funds.

Questions and answers

What is the Company Stakeholder Pension at Aviva?

- It's a stakeholder pension.
- It's a personal pension plan for individuals under 75, who are permanently resident in the UK, are eligible to join their employer's Group Personal Pension Scheme, and want to invest for retirement in a tax-efficient way.

For these purposes, broadly, we define 'permanently resident in the UK', as living in the UK for all or most of a particular tax year (a minimum of 183 days), and living in the UK when the pension plan starts.

- It may be suitable for people who are employed or self-employed.
- Your employer can make payments to this plan.
- It's not an occupational pension plan.

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. Your employer may sometimes ask you to pay more into your pension.
- You can reduce your payments, or stop and restart them at a later date. Reducing or stopping your payments might 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 pot
- You may be able to transfer your pension fund(s) 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 might I get when I want to take my retirement benefits?

- The size of your pension pot will depend on how much has been paid in, how long it's invested for, the investment performance of the funds you invest in and any relevant charges.
- Your illustration gives an idea of what you might get.
- Please remember that the value of your investments can go down as well as up and that your pension pot may be worth less than has been paid in.

What choices will I have when I take my retirement benefits?

- You can choose to take your retirement benefits in one of the following ways;
 - take your pension pot as a cash lump sum. The first 25% will be paid tax free, but you will pay tax at your marginal rate on the rest of your pension pot.
 - take your money as an when you need it (although this will mean transferring your money to a different type of pension plan)
 - use your pension pot to buy an income for life. The income you get will depend on the size of your pension pot and the cost of converting it.
- You don't have to use the whole of your pension pot at once.
- You can take your benefits from age 55.
- People in some occupations, or who can't carry on working because of ill-health, may be able to access their pension pot earlier than age 55.
- Under this plan, you have to use your pension pot on or before your 75th birthday. If you want to wait until later than that to use your pension pot, you'll have to take your money out of this plan before your 75th birthday and put it into a different one which lets you use your pension pot after you're 75.
- Don't forget that you can buy your retirement benefits from any other provider.
- We'll remind you about the choices you have nearer to your chosen retirement age.

Do I have any other options?

- Other types of pension, including other stakeholder pensions, are available and may meet your requirements as well as this plan. The charges under other pensions may be higher or lower than the charges under this plan.
- However, if you choose an alternative pension, your employer may not agree to contribute to that pension plan, so you wouldn't receive any pension contributions from them.
- If you are thinking of making payments into an alternative pension, you may want to get advice from a financial adviser first.

How much can be paid into my plan each year?

- We have minimum and maximum levels for payments and we may change these from time to time.
- While you are a member of your employer's scheme, the minimum regular payments are agreed with your employer. If you wish to continue to make payments after leaving your employer the minimum payment is currently at least £20.
- HM Revenue & Customs sets the maximum that you can pay into the plan and still receive tax relief. We only accept payments that qualify for tax relief.
- Your employer will normally pay into this plan. Your employer may also ask you to pay more into your pension later.
- 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 if I stop living in the UK?

- You should let us know if you move overseas, or start working overseas, or work overseas on secondment from your employer, as this may affect how much you can pay into your plan.
- If you are no longer permanently resident in the UK, you may have to reduce the payments you make to your plan. In most cases, your payments must stop after five years.
- We will let you know how your payments are affected, as this will depend on your circumstances at the time.

What about tax?

- You'll get UK tax relief on your payments (up to a maximum limit). Your payments are deducted after tax is calculated, and Aviva claims basic rate tax relief on your behalf and adds it to your pension plan.
- We'll claim 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 higher rates you can claim your extra tax relief through your self assessment tax return.
- You can get tax relief on your gross payments up to the greater of £3,600 or 100% of your UK relevant earnings (but see next bullet).

- If total gross contributions to all your pension plans exceed the annual allowance you may incur a tax charge at your marginal rate of tax. The standard annual allowance is £40,000. If you have an income (including the value of any pension contributions) of over £150,000 and an income (excluding pension contributions) in excess of £110,000 your annual allowance may be reduced.
- Taking certain types of retirement benefit will mean that you will be subject to the money purchase annual allowance (MPAA) of £4,000. You will still have an annual allowance of £40,000 in total, but no more than £4,000 can be paid into defined contribution (money purchase) pensions leaving the balance of £36,000 for other pension savings.
- You may be able to carry forward unused annual allowance from the previous three tax years. You will not be able to carry forward unused annual allowances from previous years to increase the £4,000 MPAA. The provider paying your retirement benefits will tell you if the MPAA applies to you.
- You don't get tax relief for any money you transfer into this plan from another scheme.
- Your pension pot will grow free of UK income and capital gains tax. Some investment returns may be received with tax credits, or after tax deductions, which cannot be reclaimed.
- When you take your pension benefits, you can normally take up to 25% of your pot 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 the retirement benefits you take from your pension plan. Income payments and lump sum payments are both treated as income, and therefore the tax you pay will depend on your personal circumstance and may be subject to change.
- If you die before taking your retirement benefits any cash sum we pay will normally be free of inheritance tax.
- This information about tax is based on our understanding of the current laws of England and Wales and UK tax practice. The tax relief and tax you have to pay may change if you move overseas, or start working overseas, or work overseas on secondment from your employer. Tax rules may change. Future changes in law and tax practice, or your own financial circumstances, could affect your pension, retirement benefits and how much tax you have to pay.
- A financial adviser can give you more details about your tax position.

Where are the payments invested?

- You can choose the fund(s) you want to invest your money in. If you don't make an investment choice, your money will be invested in the default option - please see below for further details.
- Each fund is divided into units of equal value. We use the payments to buy units in your chosen fund(s), or the default option if you do not make an investment choice. The value of the units will rise or fall depending on the investment performance

of the fund(s). If you are invested in a With-Profit Fund this works differently, as it shares out the returns earned by the fund to its investors through a system of bonuses. However the value of your investment can still fall, and we may pay less than the value we stated when you move money out of the fund. You can find more information about with-profits online at [aviva.co.uk/pension-essentials/investment-centre/](https://www.aviva.co.uk/pension-essentials/investment-centre/)

- If you make no investment choice and your employer hasn't auto-enrolled you into a company stakeholder pension scheme (and your employer hasn't nominated an investment approach for the scheme) your pension fund will be invested in one of two ways:
 - If your plan started before 6 April 2005 your payments will be invested in the Stakeholder With-Profit Fund.
 - If your plan started after 5 April 2005, your payments will be invested in the Aviva Mixed Investment (40–85% Shares) Fund. Five years before you retire, we will gradually start moving your money 75% into the Aviva Long Gilt fund and 25% into the Aviva Deposit fund. This feature is called the Stakeholder Mixed Investment Annuity Lifestyle approach. As your money is moved automatically on set dates, you should be aware that it may not be moved at a time that would give you the best return on your investment.
If you are less than 5 years to retirement, 75% of your payments will be put straight into the Aviva Long Gilt fund and the remaining 25% will be put straight into the Aviva Deposit fund. It is important to note that this approach may not match your attitude to risk.
- If your employer has auto-enrolled you into a company stakeholder pension scheme, you'll be in the default investment approach for the scheme. You can pick your own fund(s) if you want to, but we'll invest your payments in the default approach unless you tell us otherwise. The funds in this default approach may change from time to time. If this affects you, we'll tell you about the changes. Your employer will tell you what your default investment approach is and it will be explained within other documents we've sent you about your pension plan. It is important to bear in mind that the default approach may not match your attitude to risk.
- All funds have different aims and levels of risk. You can find more information about the funds and how many are available to you online at [aviva.co.uk/pensionfund-info](https://www.aviva.co.uk/pensionfund-info).

What are the charges?

- We make a charge for managing your plan and the funds your plan invests in may have extra charges. The total amount charged is up to 1% of your fund value each year. This means if your pot is valued at £500 during a year we'll take a charge of £5 that year. If your fund is valued at £7500 our charge will be £75 that year. These charges will reduce the value of your pension plan. You can find the details of any extra fund charges online at [aviva.co.uk/pension-essentials](https://www.aviva.co.uk/pension-essentials).

- We may increase our charge 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.
- Your illustration details the charges for your plan and the effect they have on your pension fund.

How much will the advice cost?

Your adviser will give you details about the cost of advice.

What happens to the plan if I die before I take my retirement benefits?

- If you die before you take your retirement benefits, we can pay out the value of your pension pot as a cash sum. Alternatively, your pension pot can be used to provide an income for your beneficiaries.
- 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 plan to another scheme at any time before you start taking your retirement benefits.
- We don't charge for a transfer, but depending on investment performance, the amount transferred may be less than the total payments to your plan.
- Carefully consider if transferring your plan is the right thing to do and compare the features of both schemes. Please speak to a financial adviser if you're unsure.

Can I cancel or opt out of the plan?

- Yes, we'll send you either a cancellation notice or details on how to opt out with your information pack.
- If you choose to opt out of your pension, you have a month to do so.
- If you receive a cancellation notice, 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 make a regular payment, a single payment or transfer payment and cancel within 30 days, we may pay back less than the amount paid in if investment values have fallen.
- If your plan includes a transfer from another pension scheme, the transferring scheme may not take your transfer back and you will need to find an alternative pension scheme.
- The cancellation notice will include the address you must send it to if you change your mind about your plan. Alternatively, 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
 - you don't tell your employer that you're opting out within a month.

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 at aviva.co.uk/funds/pension-funds.html

How to contact us

If you'd like more information about your company's stakeholder pension scheme, we recommend you first contact your employer, or you can contact us directly using the details below.

If you'd like advice, for instance about how much you should pay into your pension plan or if you're not sure if this product is suitable for you, please speak to a financial adviser.



0800 145 5744

Monday to Friday 9am - 5pm
We may monitor calls to improve our service.



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



Telephone number: 0800 068 6800



Email: Helpdesk@aviva.co.uk

- If you are 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 do not have to accept their decision and will still have the right to take legal action.

Their contact details are:



Financial Ombudsman Service
Exchange Tower
London
E14 9SR



Telephone number: 0800 023 4567



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 this plan. You should also read the full terms and conditions, which is the next section in this guide.

Law

- The laws of England and Wales 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 Conduct Authority whose contact details are:



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

We're also regulated by the Prudential Regulation Authority:



The Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA

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 (FSCS) provides protection to consumers by allowing them to claim compensation in the event that an authorised financial services firm (such as Aviva Life & Pensions UK Limited) is unable to meet claims made against it.

Whether you qualify for any compensation under the FSCS will depend on the type of investments you hold. This means that if your investments through Aviva Life & Pensions UK Limited are held in external funds, then you would not be eligible to make a claim for compensation under the FSCS in the limited circumstances where the external provider is unable to meet its obligations. Our fund factsheets show whether a fund is an external fund and further details can be found in 'Your Guide to Fund Factsheets'. If you are not sure about the type of funds you are invested in you can call us on **0800 145 5744** or speak to your financial adviser.

Any compensation available under the FSCS will be subject to certain limits. The cover is normally 100% of the value of the claim with no upper limit. For further information, see <http://www.fscs.org.uk> or telephone 0800 678 1100 or 020 7741 4100.

Client 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.

Terms and conditions

Scheme registration and set up

The Aviva Stakeholder Pension Scheme (the Scheme) is a registered pension scheme under Part 4 of the Finance Act 2004.

The Scheme was established by deed poll on 1 October 2000. The rules of the Scheme form part of that deed poll. Copies of the deed poll and the rules are available on request. In the event of any inconsistency between the rules and this policy, the rules will override this policy.

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

Law, currency and place of payment

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

All payments to us or by us will be in the United Kingdom in the currency of the United Kingdom.

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.

Accurate information

We rely on the information that you or your employer give to us. If any of the information you give 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.

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.

Retail Prices Index

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

Conditions relating to payments

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.

Regular payments can be increased or decreased. Any change to regular payments can only start from the next date a payment is due.

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.

Any relevant charges will still be payable even if payments stop.

Leaving the UK

You should let us know if you move overseas or start working overseas, or work overseas on secondment from your employer, as this may affect how much you can pay into your plan.

If you are no longer permanently resident in the UK, you may have to reduce the payments you make to your plan. In most cases, your payments must stop after five years.

We will let you know how your payments are affected, as this will depend on your circumstances at the time.

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 to you the transfer amount we receive and tell you how we have dealt with it.

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.

Funds used for this policy

Our Stakeholder 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 and the actual 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.

Default investment fund

Stakeholder legislation requires that if you have not told us which investment fund(s) you want your payments invested in, we will invest your payments in the Scheme's default investment approach/default fund(s). If you have been auto-enrolled into the scheme and you have not told us which investment fund(s) you want your payments invested in, we will invest your payments in the Scheme's default investment approach or default fund that has been selected for you. Your employer will tell you which default investment approach or default fund your payments will be invested in. This default investment approach/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. In the absence of any investment decisions by you 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.

Stakeholder With-Profit Fund

With-profits is a type of investment that shares out the performance of the With-Profit Fund to its investors through a system of bonuses.

Each unit of the Stakeholder 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, if any, declared by Aviva at least once a year. The latest regular bonus rate declared will be used.

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

On cancellation of units from the Stakeholder With-Profit Fund, we may pay a final bonus in accordance with the final bonus rates, if any, applicable at the date of cancellation. Aviva will declare the final bonus rates at least once a year.

Market Value Reduction

To ensure fairness of treatment between all policyholders in the Stakeholder With-Profit Fund on the cancellation of units in this fund, we may reduce the value of your pensions fund by applying a market value reduction.

We will only apply a market value reduction where the actual investment return of the Stakeholder With-Profit Fund from the date we allocated units of that fund to your policy, to the date we cancelled those units, is low in comparison to that credited to those units by Aviva through increases in the unit price and by the application of the final bonus rates.

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 Stakeholder With-Profit Fund for a continuous period of at least 5 years; or
 - b. the units being cancelled relate to continued regular payments at the rate in force 5 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 'Principles and Practices of Financial Management for the Aviva Life & Pensions UK Limited Stakeholder With-Profits Sub Fund'. This is currently summarised in 'A guide to your with-profits investment and how we manage the fund - for customers investing through Stakeholder Pensions'.

Further details about:

- how we increase the price of the Stakeholder 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 contained in other documents about Stakeholder With Profit investments that Aviva issue. You can ask for a copy of these documents at any time.

Investment-Linked funds

We may need to restrict your access to certain funds that we otherwise offer, if investing in these funds could lead to the legislation governing Stakeholder schemes being broken. An example of this is the rules around the maximum permitted charge for Stakeholder products.

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.)

At all times the total deductions will be restricted to ensure the overall charges applicable to this policy will be no more than the maximum permitted by the law.

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.

Changing investment fund

Throughout the term of this policy you can change the investment funds in which your payments are invested and tell us to redirect future payments into new funds.

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 enough existing units at the unit price to raise the cash value you requested. The cash value will be used to allocate units at the unit price in the other fund(s) you have chosen.

There is no charge for changing the investment funds in which your payments are invested, but we reserve the right to limit the number of changes you can make each year.

If one of the Lifestyling/Lifestaging approaches is chosen, all investments must be moved to the agreed funds and this section will no longer apply for so long as a Lifestyling/Lifestaging approach is being followed.

Lifestyling

Lifestyling is a choice of investment fund(s) from the start to the end of the contract. As you get closer to your chosen retirement age, it allows you to progressively move to different types of funds, which are designed to help prepare your pension pot for how you intend to take your retirement benefits.

The fund(s) will be determined on the date the lifestyling approach starts. We can 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 features. We will automatically redirect all payments at the dates shown.

When payments are redirected we will also start to 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 former protected rights payments Lifestyling 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 Lifestyling approach

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

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

Changing your retirement date

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

Lifestyling charges

There is no charge for Lifestyling, but we reserve the right to limit the number of changes you can make.

Lifestage investment approach

A Lifestage Investment Approach is an investment option that actively shapes how your money will be invested. As you get closer to retirement, your money is automatically and gradually moved into different types of fund.

If you're in an approach which directs you towards a retirement income, the funds your money will move to over time may help protect the income you could receive. If you're in an approach which directs you towards taking cash from your fund, as you get closer to retirement, we'll move the money in your plan to funds which are less likely to be affected by changes in investment markets.

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 former 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 payment redirections will take place.

You may wish to change funds or redirect future payments in a different way to the Lifestage Investment Approach you have chosen. If you do this, the Lifestage Investment Approach must stop.

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. 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.

Phased switching

Phased switching automatically switches your investment(s) as you get closer to your chosen retirement age.

It allows you to progressively move to different types of Funds, which are designed to help prepare your pension pot for how you intend to take your retirement benefits.

If your payments are directed towards the scheme's default investment fund then this option will be automatically applied unless you tell us not to do so. In any other case it will only be applied at your request.

In either case this option can apply if there are at least 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 Policy features. 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 former protected rights payments, phased switching will operate separately for the non-protected and protected benefits.

Future payments won't be automatically redirected when phased switching starts. The investment content of payments paid will be allocated to the funds you've chosen at that time until they are switched in line with this option. If regular payments commence after phased switching has started, we'll automatically switch these to the funds which apply at that time.

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 Lifestyling or Lifestage Investment approaches, Phased Switching will no longer apply.

Important note about lifestyling/lifestaging/ phased switching ('auto-switching')

- An auto-switching investment approach is a pre-determined investment path where we'll move your money automatically and gradually between funds as you get closer to your chosen retirement age – you don't make any of these investment choices.
- We will automatically move your money on set dates, regardless of market performance and economic conditions at that time. As a result, it may not move at a time that gives you the best return on your investment.
- These investment approaches work based on the age you've told us you want to retire at. If you decide to take your retirement benefits from your pension pot earlier or later than your chosen retirement age, it may be worth reviewing how your money is invested.
- If you intend to change the way you take your retirement benefits or how you invest your money, we recommend you speak to a financial adviser to go over your investment choices.
- If you're close to your chosen retirement age, there may be less chance for investment growth because you have less time to invest.
- Because we invest your money for growth in the early years, and aim to prepare for your retirement in later years, you could receive a lower return from the funds we move your money into than from the funds you were previously invested in. There's also a greater possibility that the investment returns on the funds we move your money to may not cover your charges.
- Please remember, the value of your pension pot can go down as well as up, and is not guaranteed – you might get back less than the amount paid in.

- Whether an auto-switching investment approach is right for you will depend on your individual circumstances, so we recommend you speak to a financial adviser.

Charges

We will restrict deductions to ensure that the overall charges to this policy will be no more than the maximum permitted by the law.

We will tell you if the maximum alters or if the charges relating to your policy change.

Allocation rates

Allocation rates are applied to payments to find their investment content.

The allocation rate applied to the initial payment(s) is shown in the policy features.

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 charge is calculated on the value of the fund 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 Stakeholder With-Profit Fund.

The Annual Management Charge that applies to your policy is shown on the post sales information.

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 respond, in a proportionate manner, to 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. The Annual Fund Charge Adjustment is made on the same day each month as the start date.

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:

$$\frac{A \times B \times \text{number of days in month}}{365}$$

A = The rate of adjustment

B = Cash value of fund

For units in the Stakeholder 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.

The Annual Fund Charge Adjustments for the initial funds you have chosen are shown on the post sales information.

Cancelling units

Cash value

The amount raised when units are cancelled is the cash value.

The cash value may be adjusted to ensure that the amount we charge in the final month reflects the number of days you were invested during that month.

The cash value raised when units in the Stakeholder 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 Stakeholder With-Profit Fund.

Cancellation of units

The cancellation 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.

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.

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.

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 the Member Certificate as the original retirement date.

If you change the date, your new retirement date will be shown as your chosen retirement date.

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.

Arrangements

You can take retirement benefits from separate arrangements at different times.

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 in this policy is shown on the Member Certificate.

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

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.

At retirement, the rules that then apply may allow part of the fund within each arrangement to be taken as a lump sum.

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

The amount of death benefits payable

We will pay benefits if any arrangement still exists when you die before your original or chosen retirement date, if different. 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.

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.

Death benefits

If any lump sum(s) 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.

However, if we are not satisfied there is such a trust we will pay the lump sum(s) 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.

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.

Find out more

We hope you've found this guide useful. If you'd like to find out more about your company stakeholder pension scheme, head to aviva.co.uk/pension-essentials.

There you'll find:

- more about your investment options
- tips on how to make the most of your pension
- and much more.

Get in touch

If there's something you want know about your company stakeholder 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



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