

# Pension Terms and Conditions

# Introduction

Your Pension is provided through MyAviva, an online portfolio management service from Aviva.

Your Pension is a self invested personal pension plan, a specific type of personal pension that can offer You a wide choice of assets in which to invest. It offers a range of different investment options including collective investment funds, Open-ended investment companies (OEICs), SICAVs, unit trusts and managed funds.

We will aim to provide a wide range of investment choices at all times, but We reserve the right to withdraw or change any of the available investment offerings at any time. If this affects You, We will tell You at least 30 days in advance unless external factors mean that We cannot do so. We will tell You Your options if You are affected.

Information about the features of Your Pension are explained in the Key Features document. This includes information about the investment options.

## **Important Information**

This document details the Terms and Conditions of Your Pension.

Your Pension is not an insurance contract.

This contract will be subject to the trust deed and rules of the Aviva Personal Pension Scheme.

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

The Aviva Personal Pension Scheme is constituted under a trust. The rules of the Scheme are held subject to that trust. The rules and trust are subject to change. A copy of the rules and the trust are available on request.

In the event of any inconsistency between the rules and this contract, the rules will be overriding.

If your application is accepted, You will be entering into a contract with Aviva Pension Trustees UK Limited. Clients who move to the USA must immediately sell down OEIC/Unit Trust based assets to cash.

These Terms and Conditions along with the Key Features and the declarations You made when applying for Your Pension comprise the agreement between You and Aviva Pension Trustees UK Limited. A copy of your Terms and Conditions and Key Features will be available for You to view in Your document library on MyAviva.

In the event of any inconsistency between these Terms and Conditions and the Key Features, these Terms and Conditions will prevail.

Aviva Pension Trustees UK Limited is authorised and regulated by the Financial Conduct Authority. Aviva Pension Trustees UK Limited registered address is Wellington Row, York, YO90 1WR.

Further details concerning Aviva Pension Trustees UK Limited and how to contact Aviva Pension Trustees UK Limited or make any complaint are contained within the Key Features document.

# Definitions

**Annual Allowance** means the maximum amount which You can pay into your pension(s) in any Pension Input Period before additional income tax charges apply.

**Aviva** means any of the companies in the Aviva Group that may provide services to Your Pension including:

- Aviva Pension Trustees UK Limited
- Aviva Wrap UK Limited
- Aviva Life & Pensions UK Limited

or any third party appointed by any one of them to supply services under this contract.

Aviva Wrap UK Limited is authorised and regulated by the Financial Conduct Authority.

Aviva Life and Pensions UK Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

**Beneficiary** means any person entitled to benefits from Your Pension following your death and may be one or more of:

- Your Nominee(s);
- Your widow, widower, or surviving civil partner;
- Your children, including adopted children;
- Your grandchildren;
- any person named in Your will or who may benefit under the laws of intestacy;
- Your estate;
- a charity nominated by You in writing to us.

**Benefit** means any payment made from Your Pension during your lifetime, either as a Pension Commencement Lump Sum or as Income Drawdown.

**Benefit Crystallisation Event** means any event that triggers a Crystallisation.

**Business Day** means any day on which the London Stock Exchange is open for business.

**Cash Account** means the cash facility within Your Pension that is described in section 5(i).

**Client Money Rules** means the client money rules as set out in the Client Asset Sourcebook section of the FCA Handbook.

**Crystallisation** is the term used to describe taking Benefits from Your Pension.

**Crystallised** means the part(s) of Your Pension where Benefits have been taken.

**Custodian** means any company appointed by Us to safeguard and administer Investments.

**Death Benefit** means any payment made from Your Pension on the event of Your death, either as a Lump Sum Death Benefit or as income.

**Dependant** means a person who (at the date of Your death) is:

- Your spouse or civil partner or;
- Your child (under the age of 23) or;
- in the opinion of the Scheme Administrator, financially dependent or inter-dependent on You or;
- dependent on You because of physical or mental impairment.

**Dilution Levy or Dilution Adjustment** means the adjustment that may be imposed by a Fund manager to share out the costs incurred when a need to deal in underlying assets is triggered by investor purchases or redemptions of Fund units/shares. This is to prevent these costs diluting the value of units/shares held by continuing investors.

**Execution Venue** means where the exchange of monies is undertaken. In the trading of Funds, the Execution Venue will be represented by Aviva or the Fund provider (or their agent).

**FCA** means the Financial Conduct Authority.

**Fund** means an FCA authorised or recognised unit trust or Open Ended Investment Company (OEIC) or other collective investment scheme in which units or shares can be purchased.

**Income Drawdown** means drawing income directly from Your Pension.

**Investment** means any assets held in Your Pension such as units/shares in Funds.

**Lifetime Annuity** means a policy issued by an insurance company which provides a guaranteed income for life in exchange for a one-off premium (which could be all or part of Your Pension).

**Lump Sum Death Benefit** means a lump sum paid from Your Pension following Your death.

**Market Abuse** means any circumstances in which investors are unreasonably disadvantaged, either directly or indirectly, by others who have used information which is not publicly available, have distorted the price-setting mechanism of financial instruments or have disseminated false or misleading information.

**Member** means a member of the Aviva Personal Pension Scheme.

**MyAviva** is an online service which enables customers to manage their Aviva products. You will need to register for MyAviva and log in to apply for Your Pension, view Your Investments and carry out transactions.

**Nominee** means any person or persons, including trustees, whose names You gave us in writing before Your death.

**Nominee Company** means a company in whose name Investments purchased for You under Your Pension may be registered.

**Order Execution Policy (OEP)** is Our documented policy which outlines the steps we take, in accordance with applicable regulations, to ensure that we achieve the best possible results for you when carrying out trades on your behalf.

**Payment/s** means the amount paid into Your Pension and includes, as appropriate, single lump sum payments, regular payments, transfer payments (excluding Re-registration) from other product providers made into Your Pension. All payments, must be made in Sterling.

**Pension Commencement Lump Sum** means any tax-free lump sum paid to a Member of a pension scheme when their Benefits are designated as being available for payment.

**Pension Input Period** means the annual period which is used to decide whether certain tax reliefs or limits are applicable to You.

**Regulations** means any rules or regulation issued by a Regulator.

**Regulator** means any authority, body or person having, or who has had, responsibility for the supervision or regulation of any regulated activities or other financial services, whether in the United Kingdom or overseas.

**Re-registration** means the transfer of an Investment other than cash from one pension to another.

**Rules** means the Rules of the Aviva Personal Pension Scheme.

**Scheme** means the Aviva Personal Pension Scheme.

**Scheme Administrator** means Aviva Pension Trustees UK Limited or any successor appointed in accordance with the Rules as scheme administrator for tax legislation.

**Successor** means an individual:

- (i) nominated by the Dependant,
- (ii) nominated by the Nominee,
- (iii) nominated by a previous Successor
- (iv) nominated by the Scheme Administrator.

No individual nominated by the Scheme Administrator counts as Your Successor at any time after the Beneficiary's death when there is an individual, or charity, nominated by the Beneficiary in relation to the Benefits.

**Tax Year** means the Tax Year 6th April to 5th April.

**Terms and Conditions** means the terms and conditions in this document and any amendments to them.

**Transfer in** means transferring the value of pension Investments from an existing pension to Your Pension either in cash or through Re-registration.

**Trustee** means Aviva Pension Trustees UK Limited, who are authorised and regulated by the FCA.

**Us/We/Our** means any of the companies in the Aviva Group which may provide services to Your Pension including:

- Aviva Wrap UK Limited
- Aviva Pension Trustees UK Limited
- Aviva Life & Pensions UK Limited

or any third party appointed by any one of them to supply services under this contract.

We reserve the right to assign contractual obligations to another company within the same group of companies as Aviva Pension Trustees UK Limited. This is subject to providing you with 60 days' notice and that it is reasonably understood that it would not reduce the security of your benefits.

**You/Your** refer to:

- the investor named as the client in the online application process of Your Pension; or,
- (for a Dependant/Nominee who is taking Income Drawdown) the individual named as the applicant in the application process for Death Benefits.

**Your Pension** means the agreement that is described in the Introduction.

## 1. Eligibility

To apply for a Pension You must be aged 18 or over, resident in the UK at the date the Pension starts or a Crown Servant serving overseas or a spouse or a civil partner of a Crown Servant serving overseas.

You must inform Us if You cease to be resident in the UK for tax purposes.

## 2. Assignment

The Benefits payable under this contract may not be surrendered, commuted or assigned except as stated in these Terms and Conditions and as allowed under the Rules.

## 3. Opening your Pension

To open Your Pension you are required to complete the online application form (including declarations).

When you submit your online application, this does not mean we have accepted the application for Your Pension. Our acceptance of Your application takes place as described in the next paragraph. If We are unable to accept Your application, We will inform You of this in writing and We will not set up Your Pension.

These Terms and Conditions become binding on You and Us and Your Pension comes into existence when we issue the Confirmation Schedule to the "Documents" folder within "My Investment Portfolio" on MyAviva.

Once Your Pension is open You will be able to view a confirmation document and notification of the cancellation process in the "Messages" folder which can be found in "My Investment Portfolio" on MyAviva. We will also send You an email notification directing You to Your Pension documents which will also be available to view in Your Messages folder on MyAviva.

In opening Your Pension You agree to Us making Your information about Your Pension available online to you and Aviva.

## 4. Security

To apply for Your Pension You will need to register with MyAviva. As part of this process You will need to create a user name and password. You will need this user name and password to access MyAviva to view Investments and carry out transactions.

You must keep Your security details and password secret and not disclose them to any other person.

We are not responsible for any losses You incur if You have not kept Your security details and password secret. You must tell Us as soon as possible if You think that someone else knows Your security details or password or if You believe an unauthorised person is trying to access or has accessed Your Pension or Your MyAviva account.

You must not permit any other person to access Your Pension or Your MyAviva account using Your username or password.

## 5. Cash

### (i) Cash Account – general

Cash within Your Pension will be held in one or more interest bearing client money bank account(s) with external account providers of Our choice. Any cash held in the Cash Account will be held in a pooled client account. Where cash is held in such an account, if there is a shortfall in that account any losses will be shared proportionately across all Pension customers. This cash will be held in accordance with the Client Money Rules, as amended from time to time.

The interest rate payable is variable. Interest will be credited to Your Cash Account. The interest rate applicable when You open Your Pension will be detailed in the illustration included with Your Pension Key Features document. After this, You can find out Your Cash Account's current interest rate at [aviva.co.uk/bank-interest-rates/](https://www.aviva.co.uk/bank-interest-rates/). Interest will be credited on or around the first of each month.

Interest on monies held in Your Cash Account within Your Pension is paid gross of income tax. We calculate interest based on Your Cash Account balance. If the amount We actually receive from the Bank is less than We've calculated, We will pay You the difference. However, if the amount We receive from the Bank(s) is higher than We've calculated, We will keep the excess and it will not be paid to Your Cash Account and will not be Your money. Although very unlikely, it's possible We could make an administrative error. If this results in an underpayment or overpayment of interest, charges or rebates to Your account, We will take all reasonable steps to rectify this. We'll rectify the error by making an additional payment to the relevant product Cash Account or a deduction from the relevant product Cash Account. We reserve the right not to make an adjustment where the underpayment or overpayment resulting from a single error is less than £10. This is because We will incur administrative costs by making an adjustment.

### **(ii) Cash Account – balances**

All cleared Payments, except for Re-registration, will be initially credited to Your Cash Account. Cash may also be credited to this account by Us, for example by way of distribution payments or interest payments, income, or if investments are sold without making further purchases.

The balance of Your Cash Account(s) will be shown on Your account statements.

If You are invested in assets that cannot be easily sold (as determined by Us) You need to ensure Your Cash Account has sufficient funds to pay any charges. We recommend that You regularly review the balance of Your Cash Account.

### **(iii) Unidentified cash**

If We receive a Payment and We are not provided with sufficient information to identify that this is intended to be for Your benefit then this may be returned to the payer.

### **(iv) Residual Balances**

If You have transferred all the investments and cash held in Your Pension to another pension scheme or product or where all Benefits have been paid from Your Pension a residual balance may arise. A residual balance in these circumstances will be any additional funds received into Your Pension that are not a Payment. If a residual balance is between £5 and £250 it will be sent directly to You or Your estate after any required tax deduction has been made.

If a residual balance is more than £250 we will pay this on to the recipient of the Benefits or transfer payment made from Your Pension.

We reserve the right to retain any interest, tax reclaims or dividends received following the transfer out/closure of Your Pension where such amounts are less than £5.

## **6. Payments in to your Pension**

You or Your employer on Your behalf, can make Payments into Your Pension.

Single Payments and transfer Payments may be paid at any time. Single Payments can be made by debit card or direct debit.

Regular Payments can be paid monthly, quarterly, six monthly or yearly by direct debit.

Acceptance of all Payments is subject to Our requirements relating to minimum size of Payment and means of Payment. Please refer to the Pension Key Features document for details.

All Payments must be made in Sterling.

Payments, up to maximum amounts, may benefit from tax relief. The maximum amounts are set out by HM Revenue & Customs and include any Payments that You or Your employer on Your behalf are making to any other registered pension schemes. This is explained further in the 'Tax Relief on Payments' section.

We can only accept Payments that are eligible for tax relief. For this reason, all Payments except transfer payments must cease at age 75.

### **Transfers in to Your Pension**

You may transfer Your pension from a UK registered pension scheme, or another scheme agreed by the Scheme Administrator to Us either in cash or, if we agree, by way of Re-registration, subject to the Re-registration being available in Your Pension and the transferring manager's approval. We will only accept transfers from UK registered pension schemes, Qualifying Recognised Overseas Pension Schemes or another scheme permitted by the Scheme Administrator.

The Transfer in will be completed when We have a completed application and have either received the proceeds and any other documents required from the transferring scheme administrator(s), or the Investments are re-registered in the name of the Nominee Company.

In some circumstances We may not be able to accept a Transfer-in and we will tell you if this is the case.

When you are transferring from an existing pension, we'll either allocate your funds as instructed or hold your money in the cash account until you decide where you want to invest.

Any residual Payments received from Your old scheme administrator after Your Pension has been opened, such as distributions, will be held in Your Cash Account and You will need to select Your Investments.

## **7. Trading**

We will treat You as a retail client as defined by the FCA.

You will need to submit an instruction online through MyAviva to buy and sell any Investments. Your instruction will be deemed to be received by Us when a confirmation screen is displayed.

We will purchase your chosen investments for Your Pension once we are holding Your Payment as cleared funds. For direct debits and immediate electronic payments this will be within three Business Days of the crediting of monies to Our bank account.

We receive Payments by direct debit on the date stated on Your online application. It may take Us up to eight Business Days to set up the direct debit following receipt of Your online mandate.

If the means of Payment is dishonoured, then any Investment made with such a Payment will be cancelled and We reserve the right to deduct any shortfall from Your Cash Account.

We will not apply any discretion when dealing on Your behalf nor accept liability for any losses, direct or consequential, which You may realise as a result of the investment decisions made by You. You may wish to consider taking financial advice if you have any questions about the suitability of Your investment choices to Your circumstances.

Sale transactions are subject to minimum residual holdings. Information about minimum residual holdings may be found on MyAviva. Sale proceeds are held in cash where You have instructed Us to sell but have not given Us instructions to reinvest, withdraw or transfer Your Pension. Where We receive an instruction which is unclear or ambiguous we will contact You. We reserve the right to take no action until We have received clarification from You.

We may defer acting on a transaction instruction, where we are required to do so at the request of a Regulator or in accordance with any Regulations (including UK anti-money laundering legislation).

### **Trading Funds**

When trading for You, deals may be aggregated with those of other investors because We reasonably believe that such aggregation will work to Your advantage. On occasions, aggregation may work to your disadvantage. Where aggregation results in a small amount of cash that cannot be reasonably allocated to individual investors We will move the money to Our own bank account and pay it to Our chosen charity annually. If aggregation results in a small asset holding that cannot be reasonably allocated to individual investors We, as agent, will sell the asset and pay the proceeds to Our chosen charity annually.

We will normally aggregate trades as appropriate on each Business Day and then pass these to the relevant Fund manager(s). These will then be executed in accordance with each Fund manager's execution policy. For some Funds the next available valuation point may be later than one Business Day following aggregation. This means that the price of securities may rise or fall in the period between the receipt of Your order and the time it is actioned.

For further details around Our Aggregation policies, please refer to the latest Order Execution Policy which you can find at [aviva.co.uk/investments/your-financial-future/](https://aviva.co.uk/investments/your-financial-future/)

Some Funds may have a minimum trade value. If a trade is placed for less than this amount, the trade may be held as pending until We receive further trades that meet this minimum amount from You or other investors. We reserve the right to reject the trade if the minimum trading amounts are not achieved. Details of the minimum trading amounts are provided in the fund provider's literature which can be accessed through MyAviva.

When investing in Funds on Your instruction We will purchase the share class that You select. Share classes may be net paying or gross paying. Whether a share class is net paying or gross paying is set out on MyAviva. If you select a net paying share class within Your Pension We will reclaim any applicable tax for You.

For some Funds it may not be possible to buy or sell Your investment on every Business Day as they may have different trading frequencies. This could mean that you may not receive your proceeds straight away.

## **8. Valuations of Funds**

Different Funds may have different valuation frequencies, details will be provided on MyAviva.

## **9. Best Execution**

When dealing with Your order to buy or sell Investments, We will use all reasonable endeavours to achieve the best possible result for You under the circumstances.

In respect of orders relating to Funds the only method available for dealing with most of these in practice is to transmit them to the Provider of Your chosen Fund. Therefore the Fund provider (or their agent) are the only Execution Venues that will be used.

Regulations require Us to consider various execution factors in deciding how best to execute Your order. These include price, cost, speed, likelihood of execution and settlement, size, nature and other relevant matters. Normally We would consider price to be the most important factor. However, for Investments in Funds, there will only be one Execution Venue that We can use in practice to deal with Your order and there will only ever be one price; reflecting the underlying value of the assets of the fund. We also take the above factors into account when appointing a nominated stockbroker.

We will monitor the effectiveness of Our best execution policy and arrangements to ensure that We continue to obtain the best possible result for You. We will notify You of any material changes to Our policy and arrangements where they are relevant to You.

Please note that Our best execution policy does not apply when a specific instruction is given as to how orders should be dealt with. This may prevent Us from taking steps designed to obtain the best possible result for You. For further details around Our Best Execution policies, please refer to the latest Order Execution Policy which you can obtain by visiting [aviva.co.uk/investments/your-financial-future](https://www.aviva.co.uk/investments/your-financial-future).

## 10. Switching

You may instruct Us to sell units/shares in Fund(s) and reinvest the proceeds in other Fund(s). You must submit Your instruction online using MyAviva. On receipt of Your instructions, We will process the online sale of the specified units/shares and then use the proceeds to process the online purchase of the specified new units/shares.

Please note that where applicable, purchase orders will be placed once all sale prices have been confirmed to Us by the relevant party. There may therefore be incidences where You are disinvested for a period and subject to potentially adverse market movements.

## 11. Tax Relief on Payments

Your Payments (except any Payment which is a Transfer in or a Payment from your employer) are made net of basic rate tax and We will reclaim the basic rate tax relief from HM Revenue & Customs. Your basic rate tax relief is calculated by Us and will be invested as soon as it's possible, according to Your original Investment instruction.

If You pay tax at more than the basic rate You can reclaim the additional tax relief either via Your tax return or by writing to HM Revenue & Customs.

You can claim tax relief on Your Payments up to specific limits set by HM Revenue and Customs. This includes any payments that You, or a third party on Your behalf, are making to any other pension scheme.

Information about tax relief on Your Pension can be found in Your Pension Key Features document. Any employer Payments are received gross.

If Your total payments, including employer Payments, exceed the Annual Allowance the excess will normally be subject to a tax charge. Individuals who flexibly access a money purchase arrangement and take taxable money from it will be subject to the £4,000 Money Purchase Annual Allowance in respect of any future money purchase payments.

Please remember, tax rules may change in the future.

## 12. Income

We will receive any income in respect of Investments held in Your Pension and credit it to the Cash Account. We will do this at least once a year.

Income may include distributions from Funds and reclaims of UK income tax where appropriate. Any income arising which is not withdrawn by You will remain in Your Cash Account unless We receive instructions from You, to invest.

## 13. Transfers Out

You may instruct Us at any time to transfer out all of Your Pension to another UK registered pension scheme or Qualifying Recognised Overseas Pension Scheme, subject to our agreement and that of its Scheme Administrator. The new scheme administrator may require any transfers out to be in cash.

We reserve the right to retain any interest, tax reclaims or dividends received following the transfer out/closure of Your Pension where such amounts are less than £5.00.

## 14. Crystallisation

Your Pension may be split into a number of parts, those parts which are uncrystallised and those that are crystallised.

Charges are deducted proportionately across the uncrystallised and crystallised parts of Your Pension. Transaction charges will be taken from the specific part of Your Pension in which they've been incurred.

Crystallisation occurs via Benefit Crystallisation Events. Each Benefit Crystallisation Event will normally result in a separate arrangement within Your Pension, unless we are instructed otherwise.

## 15. Income Drawdown

You can choose to take Benefits, in the form of a Pension Commencement Lump Sum and/or income using Income Drawdown, from all or part of Your Pension at any time from age 55. Through Income Drawdown You can elect to draw down the level of income you require. Income Drawdown is the sole method by which You can draw your Benefits as an income from Your Pension.

All income payments from Income Drawdown must be made in Sterling and to a UK bank account. You can apply for Income Drawdown using the form that we provide for this purpose. We have the right to decline an application for



Income Drawdown if accepting it would, in our opinion, limit or restrict in any way our ability to administer the Scheme. Information about how your Income Drawdown would be taxed can be found in Your Pension Key Features document.

You can draw Your Benefits as a one off lump sum, a series of single payments or on a regular basis (i.e. paid on a monthly, quarterly, half-yearly or yearly basis).

You can use Your Pension to purchase a Lifetime Annuity (either with Aviva or another annuity provider) at any time from age 55.

If you are in ill health or serious ill health (as defined in the Finance Act 2004) it might be possible to start taking your Benefits earlier than your 55th birthday.

If you believe you may be entitled to take your benefits early for any reason please contact us for further information.

If there is an insufficient balance in Your Cash Account to pay your income, We will automatically disinvest on Your behalf. If We need to do this We will sell across your Investments on a proportionate basis. This will have the effect of reducing the value of Your Investments. We will inform You if we need to do this. The minimum amount We will disinvest in these circumstances is £10.

We will not automatically disinvest from the following types of Investments:

- If you are only invested in Funds that are in suspension, we will contact you to ask you to put money into your Cash Account to pay Your income.
- If you do not put sufficient money into your Cash Account we will contact you again to ask you to do so. If you still fail to put the money into the Cash Account, then we will suspend the payment of income to you from Income Drawdown until such time as there are suitable funds in your Cash Account.

Payment of your income will cease when you have exhausted the assets within Your Pension.

## 16. Death Benefits

On Your death the payments We make are dependent on:

- The rules of the Aviva Personal Pension Scheme, within which Your Pension is held;
- whether You are over a certain age (currently 75) or not;
- whether the contract has been placed under trust; and
- Your wishes.

Upon our being notified of your death further trading or switching is only allowed where the party wishing to instruct those transactions is able to demonstrate to us, to our satisfaction, that they have legal authority to do so. Our decision on whether a party is permitted is final. If a party wishes to so trade they must instruct such trades by contacting us directly.

The values of the investments will be those that apply at the date of disinvestment.

No disinvestment or payment will be made until all Our reasonable requirements have been met.

A Lump Sum Death Benefit may be paid on Your death. If on Your death we are satisfied that Your Pension 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 trustees of that trust.

If We are not satisfied that there is such a trust, We may, at our discretion, make a payment to any one or more of the Beneficiaries.

Where you have a Nominee, We will take your wishes into account but are not bound by them.

If We have exercised our discretion in favour of a Nominee, the Nominee may choose for the Benefits to be paid in one or more of the following ways:

- a Lump Sum Death Benefit (less any tax for which the Scheme may be liable), or
- income from Income Drawdown, or
- a Lifetime Annuity.

If We have exercised our discretion in favour of a Dependant, the Dependant may choose for income payments to be paid in one or more of the following ways:

- a Lump Sum Death Benefit (less any tax for which the Scheme may be liable), or
- income from Income Drawdown, or
- a Lifetime Annuity.

If We have exercised our discretion in favour of a Beneficiary who is neither a Nominee nor a Dependant, such a Beneficiary may receive a Lump Sum Death Benefit unless We nominate

the Beneficiary to be able to choose to receive income from Income Drawdown or a Lifetime Annuity. We may not nominate a Beneficiary to receive income, where you have a Dependant or a Nominee.

Upon the death of a Beneficiary who is in receipt of income from Income Drawdown, the above process will be repeated but with reference, where relevant, to a Successor.

Any application by a Beneficiary for income from Income Drawdown must be made in writing using our application form.

Any Lump Sum Death Benefit may be subject to tax charges levied by HM Revenue & Customs.

## 17. Charges

The following charges are applied to Your Pension and will be taken by Aviva Pension Trustees UK Limited or any company referred to in the definition of Us/We/Our on the authorisation of Aviva Pension Trustees UK Limited.

We may introduce or vary the charges 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, or
- 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 Your Pension.

We will notify You at least 30 days before the change has any effect on You.

The Aviva charge will cease when We receive notification of your death. Any Fund manager charges however will continue to apply between the date of your death and disinvestment.

### (i) Aviva charge

This is deducted on a monthly basis and is calculated on a daily basis as a percentage of the average value of Your Pension on each day including any new money not yet cleared in your Cash Account (we reserve the right to vary this).

A tiered discount may be applied to Your Aviva charge. For details, please refer to Your Pension Key Features document. If you have an Investment Account or Stocks & Shares ISA on MyAviva any tiered discount will be calculated based on the combined value of these investments and Your Pension.

### (ii) Transfers

Certain Fund managers may charge a fee for Re-registering assets.

### (iii) Collection of charges

We will take all our charges from Your Cash Account. If there is an insufficient balance in Your Cash Account to cover the payment(s) of any charge(s) due, We will automatically disinvest an amount to cover the charges by selling across your Investments on a proportionate basis. The minimum amount We will disinvest in these circumstances is £10.

- We will not automatically disinvest if you are only invested in Funds that are in suspension. We will contact you to put money into Your Cash Account to pay the charges.

If you do not pay Your Aviva charge, we will continue to contact you to ask you to do so. Any outstanding charges due will be deducted;

- when you sell your Investment or
- when the suspension of the fund(s) have been lifted or
- when any other income goes in to Your Cash Account.

If we can automatically take money by selling your Investments, we will do this to cover charges across all investments within Your Pension. For example, if you are invested in Funds, we will sell your funds so there is enough money to cover the charges for each investment.

### (iv) Paper correspondence charge

If you opt to receive correspondence in paper format in addition to online a charge will be applied to reflect the additional administration cost. Further details may be found in the current Your Pension Key Features document.

### (v) Other charges

Details of the Fund managers' standard charges are set out in the Key Investor Information Document, Key Information Document or Simplified Prospectus available through the website.

There are also other expenses which Fund managers deduct from their Funds such as registrar's charges, trustee/depository charges and audit charges.

In addition, Fund managers may impose a charge to share out the costs incurred when a need to deal in underlying assets is triggered by investor purchases or redemptions of Fund units/shares. This is to prevent these costs diluting the value of units/shares held by continuing investors. Examples of these charges are Dilution Levy and Dilution Adjustment. These charges will either be reflected in the offer price of the units or be applied as a levy to the amount invested or disinvested.

These charges will be shared across all investors taking part in that particular transaction. The dealing price given to Our

nominee account by a Fund manager will be used to calculate Your sale proceeds or purchase cost. Please note, this price may be higher or lower than the published price.

Some assets will carry annual charges. These charges will be shown as Ongoing Charges Figure. These charges represent the annual cost of managing the asset, this is often referred to as the Annual Management Charge along with the expenses incurred in managing the asset, covering such things as accounting and registration fees. Details of these charges will be set out on the asset documentation.

There are no additional Aviva charges levied for switching. There may be other charges such as fund managers charges associated with the buying and selling of units/shares. Details of these charges can be found on the Key Investor Information Documents or other documentation from the provider of the investment. Documentation about investments may be accessed through MyAviva.

## 18. Taxation

We have included some general taxation information below. It is based on Our understanding of current legislation and is subject to change.

If You are in any doubt as to Your tax position, You should seek professional advice.

### (i) Equalisation

After an Investment has been made in a Fund, the first distribution of income includes an element of equalisation, i.e. the amount of any undistributed income already included in the price of the units/shares at the time of investment. This is treated as a return of capital for tax purposes and is not subject to income tax.

### (ii) VAT

All charges which You pay to Us, will include any VAT that may be applicable.

### (iii) Income Tax and Capital Gains Tax

All income and capital growth produced from the Investments is free of any UK income and capital gains tax. Some investment returns may be received by the fund manager with tax credits, or after tax deductions, which cannot be reclaimed. If You sell or dispose of Investments in Your Pension this will not constitute a capital gains tax chargeable event under current legislation.

Any tax deducted from Your Cash Account is paid by Us to HM Revenue & Customs. As a result, the money deducted is no longer Your money and it is due and payable by Us to HM Revenue & Customs.

## 19. Administration of your Pension

### (i) Correspondence

We will provide all correspondence to You electronically through the Messages area on MyAviva. When new documentation is available to view We will send an email to You using the email address You have provided as part of Your application, If you opt to receive correspondence in paper format rather than online a charge will be applied to reflect the additional administration cost. Further details may be found in the current Aviva Pension Key Features document.

In certain circumstances We may contact You by paper correspondence, for example when notifying You of corporate actions. If we opt to do this We will not apply a correspondence charge to cover this.

### (ii) Confirmations of transactions

We will provide You with details of transactions on Your Pension.

We will provide You with online confirmations for Your initial purchase of Investments, sale of Investments and re-investments once the transaction has been completed.

We will not provide confirmations for every sale and purchase where automatic disinvestments are made to meet charges. Such transactions will be reflected in Your statement.

Detailed transaction information can be viewed online.

### (iii) Periodic Statements

Statements will be issued every three months. These will provide details of charges and transactions since the last statement date. These statements will be available in the Your Documents section of MyAviva. We will send an email notification to You confirming Your statement is available to view. Up to date information about transactions and the value of Your Pension is available online at MyAviva.

### (iv) Valuations

We will value Funds at the end of each Business Day using the most recent price available from the Fund manager.

You should be aware that if You want to buy or sell holdings in a Fund, these prices will not necessarily be the dealing prices as most Funds are priced on a forward basis.

You should be aware that if a transaction instruction is given in cash terms the actual amount paid into Your Cash Account may be more or less than stipulated.

This means that the price for a sale or purchase transaction is that calculated at the valuation point after the transaction has been placed with the Fund manager.

#### **(v) Power of Attorney**

Please note that We are unable to accept applications signed by Your attorney unless You are not able to sign it yourself, because of loss of mental capacity or physical disability. All applications from attorneys must be accompanied by a correctly certified and, where applicable, correctly registered Power of Attorney document.

#### **(vi) Pricing Errors**

In rare cases, errors may arise in the valuation of, or transactions within Your Pension. These errors may occur as a result of Our actions, or those of a third party such as a Fund manager.

If We are responsible for the error, We will place You back in the position You would have been in had the error not occurred in accordance with applicable regulations.

Where, due to circumstances beyond Our control, We are unable to do this, We will make suitable arrangements to compensate, which may be by way of a one off payment. If the error has occurred due to the actions of a third party, although We do not accept responsibility for such errors, We will take reasonable steps to seek payment of compensation from the third party concerned on Your behalf.

#### **(vii) Investment Closure**

Occasionally We may need to close access through Your Pension to Funds. This may happen for example where a Fund manager closes a Fund or it is no longer available through our nominated stockbroker. If this affects you, We will, where possible, notify You and request reinvestment instructions 30 days in advance. We will do this unless external factors beyond Our control mean that only a shorter notice period or no notice period is possible.

We reserve the right to move all assets that are affected to cash pending reinvestment instructions from You. We will not be held liable for losses You may incur as a result of this action or whilst awaiting reinvestment instructions.

#### **(viii) Investment Suspension/Deferment**

In the event that a fund manager suspends or defers dealing in a fund and this affects You, We may delay any withdrawal or other transaction requests You make to Us regarding Your existing Investments in that Fund until such time that the fund manager removes the deferment or suspension. We may also delay or cancel any requests to purchase units in that Fund and await Your instructions on how you wish to proceed.

#### **(ix) Unauthorised Payments**

We will not administer Your pension in a way that gives rise to payments that would be regarded as unauthorised (under the Finance Act 2004). If You receive an unauthorised payment from Your Pension in error, you must return it. If a payment You Receive from us results in a tax charge, You will be responsible for meeting it. We may also incur liabilities (such as a scheme sanction charge), imposed by HM Revenue & Customs. If we do incur such liabilities, We will deduct the amount from Your Pension. If we are unable to recover such amounts from Your Pension, we reserve the right to seek payment from You directly. We will not attempt to recover from You any of these charges or liabilities that arise from of us acting fraudulently or negligently.

## **20. Ownership of Investments, Voting and Documentation**

Investments purchased for You will be held in the name of the Trustee or in the name of a Nominee Company appointed by a Custodian. Such a Nominee Company may or may not be authorised under the Financial Services and Markets Act 2000. The Custodian is responsible for the acts and omissions of the Nominee Company.

Investments in Your Pension are registered together with Investments of other Pension investors. As a result, those may not necessarily be immediately identifiable by separate certificates, other physical documents or electronic records.

No voting rights will be exercised on Your behalf for any of Your Investments. This means that where an Investment is subject to a corporate action, the decision taken by other eligible shareholders will be aggregated across all Pension customers. We will write to inform You of any corporate actions. We will also contact You if it is necessary for You to take any action.

In the unlikely event of default by the Trustee or any Custodian, any shortfall in Investments may be shared pro rata amongst investors.

Copies of Fund factsheets and Key Investor Information Documents or Key Information Documents are available on MyAviva.

Investments may not be used as security for a loan outside of Your Pension. Any certificates or other documents evidencing title will not be lent to third parties or used as security for borrowing. They will be held by Us or to Our Order.

## 21. Communication

You may communicate with Us in writing, by telephone or by email, although We require certain instructions to be given to Us through a specific medium where stated in Your Terms and Conditions. We will normally communicate with you by email.

For Your own protection and also for Our own training purposes, telephone calls will be recorded and saved for a minimum of 5 years.

You must give Us any information We reasonably request to be able to provide the services for Your Pension. For example, You must notify Us of any change in Your postal address or email address.

We will accept instructions from You only. However, if you have a power of attorney in place, then we will accept instructions from your attorney(s) subject to the receipt of satisfactory evidence of the power of attorney.

## 22. Website

Our website will normally be available for access 24 hours a day and 7 days a week.

There may be occasions, however, when this is not possible. For example, if We suspend services for repair, maintenance, or for reasons beyond Our control. The website is designed to support a number of different web browsing software options.

In the event that Our website is not available You can contact Us by telephone on any Business Day on 0800 285 1088. Investment data is supplied to Us by third parties.

All monetary figures are in Sterling terms unless otherwise stated and are based on the information supplied to Us and accepted in good faith. Whilst We make every effort to ensure the accuracy of information posted on Our website and communicated to clients We cannot accept responsibility or be held liable for any inaccuracies or errors which may subsequently lead to loss save for where it arises as a direct result of our fraud, wilful default or negligence.

## 23. Changes to Terms and Conditions

We may change these Terms and Conditions for any of the following reasons:

- To reflect changes in the way We administer Your Pension and to update information contained in these Terms and Conditions where such changes are reasonable and proportionate.

- To respond, in a proportionate manner, to changes in technology or general practice in the Life, Pensions and Investments 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 changes to these Terms and Conditions to be to Your advantage or 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 60 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.

We will tell you about changes to these Terms and Conditions and make the updated Terms and Conditions available on Your Documents folder on MyAviva.

## 24. Cancellation

If You wish to cancel You must notify Us by telephone or email within the 30 days from the date on which Your Pension is opened.

If you cancel within the 30 days cooling off period, You may not get back the full amount You invested.

- We won't refund any charges that are directly related to buying or selling underlying investments.
- We will pay back any single payments, less any fall in the investment value due to market movements and any Aviva charges or fund manager charges already deducted.
- We will return the original amount of any regular payments invested in full.

If You don't cancel within the specified timescales, Your Pension will continue.

## 25. Closing your Pension

The Investments in Your Pension, or the money held in Your Cash Account, can only be transferred to another pension provider or moved to another product provided by the Trustee or used to provide benefits in accordance with the applicable Regulations.

We may close Your Pension, on giving You notification, if (i) We cease to act as Scheme Administrator for any reason or (ii) it becomes impractical to continue to administer Your Pension in accordance with any applicable Regulations from time to time.

If We close Your Pension on these grounds We will give You at least 60 days notice of the closure. We will explain Your options for the transfer of Your Investment.

Where sums are due and payable We will make all reasonable efforts to contact You to effect the payment. If We are unable to contact You the Funds will remain in an interest bearing client account and will continue to be treated in accordance with Client Money Rules.

Closing Your Pension does not affect any transaction initiated before the closure began. These terms continue to apply until We complete all outstanding transactions or meet all liabilities.

## **26. Liability**

Aviva or its associated companies will not be responsible for any or all losses, costs, actions, proceedings, claims and demands which may be incurred by You arising directly or indirectly from Aviva or its associated companies having acted in good faith pursuant to any instructions provided by You.

We shall not be liable or have any responsibility for any loss or damage You incur or suffer as a result of any event or circumstance not reasonably within Our control including:

- Failure, interruption or delay in the performance of Our obligations resulting from the breakdown, failure or malfunction of any telecommunications or computer services:
- Industrial disputes
- Failure of third parties to carry out their obligations
- Acts of governmental or other similar authorities, or
- Terrorist acts.

Any news, prices, opinions and other information which We may provide to You is provided solely to enable You to make Your own Investment decisions and does not constitute personal Investment recommendations or advice. We will only accept responsibility for losses where such losses arise as a direct result of Our fraud, willful default or negligence.

## **27. Conflicts of Interest**

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

Further details of Our conflicts of interest policy are available on request.

Where, despite all efforts to manage a conflict of interest, the conflict of interest cannot be prevented, we will disclose it to you before you commit to taking out this product or taking any investment action in relation to it.

## **28. Delegation**

We may appoint any person to advise on or perform any of Our functions or responsibilities. We will satisfy Ourselves that any person to whom We delegate is competent to carry out those functions or responsibilities.

## **29. Market Abuse**

In opening Your Pension, You agree that You will not take part in activity which may be considered to be Market Abuse. If We believe that Your Pension is being used to engage in Market Abuse, We reserve the right to take such action We deem to be appropriate.

## **30. Instructions**

Where We receive an instruction in respect of any aspect of Your Pension which is unclear or ambiguous we will contact You. We reserve the right to take no action until We have received clarification from You

## **31. Money Laundering, Fraud and Terrorism Financial Crime**

To verify your identity and prevent financial crime, Your information may be used by any company within the Aviva group and may be shared with third parties who provide services to Us, as well as other organisations where required to by law and regulatory requirements.

A record may be kept of any searches carried out and any suspicions of financial crime and related details may be retained and used to assist other companies for verification and identification purposes. The search is not a credit check and Your credit rating should not be affected.

We will use the information you provide to Us whilst applying for Your Pension to perform anti-money laundering and fraud checks and You acknowledge that We may share this information, if required, with a Regulator.

### **32. Governing Law**

Aviva and You have a free choice about the law that can apply to these Terms and Conditions. Aviva proposes to choose the Law of England and, by entering into these Terms and Conditions You agree that the Law of England applies. We will always write and speak to You in English.

### **33. Miscellaneous**

- (i) Where appropriate, words in the masculine include the feminine and words in the singular include the plural and vice versa.
- (ii) Section headings and sub-headings have been inserted for convenience only and do not form part of these Terms and Conditions.
- (iii) These Terms and Conditions do not give any rights to any person other than You and Us. You and We may amend or cancel this agreement without reference to, or the consent of, any other person.