

**Company Pension @ Aviva  
(Isle of Man 89 Plan)**

**Company Pension Freedom @  
Aviva (Isle of Man Section 61 Plan)**

**Isle of Man Personal Pension  
89 Plan**

**Isle of Man Personal Pension  
Freedom Section 61 Plan**

Member's guide

# Why either join your employer's pension or arrange your own personal pension?

The days when you'll need to live on your pension may seem a long way off. But think about your earnings now and the value of the state pension. Can you afford to live on the state pension?

To help you save for your retirement your employer may have set up a Company Pension @ Aviva (Isle of Man 89 Plan) scheme and/or a Company Pension Freedom @ Aviva (Isle of Man Section 61 Plan) scheme for you. Alternatively, you can arrange your own Isle of Man Personal Pension 89 Plan and/or Isle of Man Personal Pension Freedom Section 61 Plan.

The main features offered by these pensions are listed below.

- You'll get a personal pension plan provided by Aviva.
- There are a range of ways for you to make payments.
- As with other pensions you can claim tax relief on your personal payments.
- Access to MyAviva, our online service that allows you to monitor and manage your personal pension plan online whenever you want.

More information is given in the following pages and in the Key Features document and your investment and fund guide, which you should have received. Please read all of the information provided to you before you join your employer's pension(s) or arrange your own personal pension(s).

We look forward to helping you save for your retirement.

# What happens at retirement?

## Company Pension @ Aviva (Isle of Man 89 Plan) and Isle of Man Personal Pension 89 Plan

### When can I take my retirement benefits?

Your personal pension will normally be set up with a retirement age of between 50 and 75.

Benefits can usually be taken between the ages of 50 and 75, even if you wish to keep working. This makes it possible for you to choose the age when you would like to retire. You may be able to take your benefits earlier than 50 if you can no longer work because of a medical condition or have an occupation with a recognised earlier retirement date.

Please note that if you transfer in any benefits into this plan from a UK scheme, you may not be able to take your plan benefits before age 55.

### What benefits can I expect to receive when I retire?

Current rules allow you to take benefits in the following ways:

- A regular retirement income for life, known as an annuity, with the option for annual increases
- A smaller regular annuity with tax-free cash of up to 30% of the value of your retirement fund.

The annuity can provide for you and in the event of your death, your spouse, civil partner or dependants.

You may have to pay income tax on the annuity payments.

You can use your retirement fund to buy an annuity with us or another pension provider. The actual level of your benefits will depend on the value of your retirement fund, your age, and the cost of buying an annuity at the time.

## Company Pension Freedom @ Aviva (Isle of Man Section 61 Plan) and Isle of Man Personal Pension Freedom Section 61 Plan

### When can I take my retirement benefits?

Your personal pension will normally be set up with a retirement age of between 55 and 75. Benefits can usually be taken between the ages of 55 and 75, even if you wish to keep working. This makes it possible for you to choose the age when you would like to retire. You may be able to take your benefits earlier than 55 if you can no longer work because of a medical condition or have an occupation with a recognised earlier retirement date.

### What benefits can I expect to receive when I retire?

You can use your pension pot in one of the following ways:

- to buy a regular retirement income for life, known as an annuity. Or you can take up to 40% as tax-free cash and use the rest to buy a smaller annuity.
- to take a single payment of all funds under this plan. The first 40% will be tax-free, but the remaining 60% will be taxed as income.
- you can have 40% tax-free cash and withdraw the remainder either immediately or over a period of time. Currently if you want to do this, you'll need to transfer to another plan before the age of 75 years old, which may result in an increase in charges.

Any withdrawals or other retirement benefits you take are subject to income tax.

This means that, once you become eligible to receive pension benefits, they may be taken in a timeframe which meets individual circumstances, with great flexibility and subject to significant tax advantages, which makes this plan suitable for investing future pension contributions.

The value of your investment can go down as well as up and may be worth less than the amount paid in.

The benefits available and the way they are taxed could change in the future, depending on Isle of Man government policy. The value of tax benefits depend on your individual circumstances.

We strongly recommend that you keep in touch with your financial adviser to review your pension plan regularly. They may charge you for their services.

You can use MyAviva, our online pension management service to check the current value of your fund and how much it may be worth when you retire. Visit [direct.aviva.co.uk/MyAccount/login](https://direct.aviva.co.uk/MyAccount/login)

# Payments

## Company Pension @ Aviva (Isle of Man 89 Plan) and Company Pension Freedom @ Aviva (Isle of Man Section 61 Plan)

Joining your employer's pension(s) offers you the best of both worlds, the benefits of being part of a company pension together with the advantages of owning and controlling your own pension.

Your employer may choose to make payments to your plan.

While you're a member of your employer's scheme, the minimum regular payments are agreed with your employer and your employer may also ask you to pay more into your pension later.

You may wish to make payments to your plan after leaving your employer. The minimum payment is currently £20 a month.

Your plan has been designed so that single payments can be made at any time. You can pay single payments direct to us by cheque.

The single payment must be for at least £500, or £1,000 if you aren't making regular payments.

Payment amounts can be changed whenever you wish, and there is no penalty if payments are missed. Your employer will normally collect any payments that you wish to make and pay them directly to us.

Your plan can accept transfer funds from any other approved pension policy. There is no minimum for transfer payments if regular payments are being made to your plan. If regular payments aren't being paid into your plan, the minimum transfer payment is £1,000.

Please note that for transfers into a:

### Company Pension @ Aviva (Isle of Man 89 Plan)

If the transfer is from a UK pension scheme, you may not be able to take any of your benefits under this plan before age 55.

### Company Pension Freedom @ Aviva (Isle of Man Section 61 Plan)

If you wish to transfer from an Isle of Man pension scheme which has not been approved under Section 61H of the Income Tax Act 1970 into the Section 61H plan, a transfer fee of 10% of the pension fund value must be paid to the Isle of Man Assessor of Income Tax prior to transfer being applied.

If you're thinking about transferring your existing pension to us, we strongly recommend you seek financial advice. Your employer will be able to tell you if there is a financial adviser supporting your pension with us who you can speak to.

If you want to transfer without using a financial adviser, acceptance will be subject to certain criteria. For example, we cannot accept transfers from UK pensions into an Isle of Man pension or transfers over certain thresholds without advice where you may lose valuable guarantees or benefits in your existing pension. Also, for transfers over certain thresholds, where you may lose valuable guarantees or benefits in your existing pension, in addition to having an Isle of Man financial adviser, there must be a Financial Conduct Authority (FCA) registered financial adviser involved who has the correct permissions for transfers.

During the transfer process your money won't be invested meaning you won't 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 won't charge you for transferring to us, but your invested transfer fund will be subject to the annual fund charge and any extra fund charges applicable to your plan. Full details about charges are in your Key Features document.

This plan cannot accept any pension benefits that have already been accessed (known as 'crystallised' funds).

We won't charge you for transferring your benefits to another pension provider or if you choose to take your retirement benefits earlier than your chosen retirement age. Depending on investment performance, the amount we transfer may be less than the total payments made into your plan. For more information about transferring and the risks involved please read page 3 of the Key Features document.

## Payments via your employer

Your employer may have agreed to collect your payments and pass them on to Aviva. Difficulties may arise if your employer becomes insolvent. If this happens, it may not be possible for you to recover those payments that have been collected by your employer but not passed to Aviva.

## **Isle of Man Personal Pension 89 Plan and Isle of Man Personal Pension Freedom Section 61 Plan**

You decide how much you want to pay into your pension plan. There is a minimum regular payment limit of £200 per month.

Single payments of at least £10,000 can also be made at any time. You can pay single payments direct to us by cheque.

Your employer may choose to make payments to your plan.

Payment amounts can be changed whenever you wish, and there is no penalty if payments are missed. Your employer will normally collect any payments that you wish to make and pay them directly to us with their payments.

Your plan can also accept transfer funds of a minimum £10,000 from any other approved pension policy. Please note that for transfers into an:

### **Isle of Man Personal Pension 89 Plan**

If the transfer is from a UK pension scheme, you may not be able to take any of your benefits under this plan before age 55.

### **Isle of Man Personal Pension Freedom Section 61 Plan**

If you wish to transfer from an Isle of Man pension scheme which has not been approved under Section 61H of the Income Tax Act 1970 into the Section 61H plan, a transfer fee of 10% of the pension fund value must be paid to the Isle of Man Assessor of Income Tax prior to transfer being applied.

If you're thinking about transferring your existing pension to us, we strongly recommend you seek financial advice.

If you want to transfer without using a financial adviser acceptance will be subject to certain criteria. For example, we cannot accept transfers from UK pensions into an Isle of Man pension or transfers over certain thresholds without advice where you may lose valuable guarantees or benefits in your existing pension. Also, for transfers over certain thresholds, where you may lose valuable guarantees or benefits in your existing pension, in addition to having an Isle of Man financial adviser, there must be an FCA registered financial adviser involved who has the correct permissions for transfers.

During the transfer process your money won't be invested meaning you won't 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 won't charge you for transferring to us, but your invested transfer fund will be subject to the annual fund charge and any extra fund charges applicable to your plan. Full details about charges are in your Key Features document.

This plan cannot accept any pension benefits that have already been accessed (known as 'crystallised' funds).

We won't charge you for transferring your benefits to another pension provider or if you choose to take your retirement benefits earlier than your chosen retirement age. Depending on investment performance, the amount we transfer may be less than the total payments made into your plan.

For more information about transferring and the risks involved please read page 3 of the Key Features document.

# IOM Treasury Income Tax Division

## Tax relief

Your payments are made to us before deduction of any tax relief. You can obtain income tax relief on the payments you've paid via your end of year tax assessment.

Please keep the documents we send you as they may be useful in obtaining tax relief.

Please remember that tax relief on your payments could change in the future. The amount of tax relief will depend on your personal circumstances.

You won't get any tax relief on any contributions your employer makes or any transfer in payments.

## How much could I pay in and still receive tax relief?

The tax relief on payments to a pension makes it necessary for the Assessor of Income Tax for the Isle of Man to limit the amount that you can obtain tax relief on each year. You're allowed to pay contributions of up to 100% of your taxable salary and obtain tax relief.

The annual allowance applies a maximum limit to all contributions paid by, or on behalf of, a member to IOM approved pension schemes in a tax year, this includes contributions paid by your employer.

The annual allowance is currently £50,000.

If contributions do exceed the annual allowance for a tax year, a tax charge of 40% will apply to the excess, unless the Assessor of Income Tax agrees to a refund of the excess contributions.

# Planning ahead

Your pension arrangements are an important part of financial planning. Your pension plan gives you a way of building up a pot of money that helps you fund your retirement.

## What if I change employer?

If you change employer, you may be able to continue this plan, providing you still meet the rules of the Assessor of Income Tax for the Isle of Man. If you stop working, you may have to stop paying until you start your new job. If your current employer is contributing to the plan, this doesn't mean that a new employer has to.

If you change employer and do not want, or are unable, to continue this plan, alternative pension arrangements may be available to you.

Please contact a financial adviser. If you've an employer's pension, your employer will be able to tell you if a financial adviser is supporting your pension with us who you can speak to.

## What happens to my benefits if I die before I retire?

If you die before you take your retirement benefits, we can pay out the value of your pension fund as a lump sum. Alternatively your pension fund can be used to provide an income for your beneficiaries.

Any lump sum will be paid at our discretion, in accordance with the terms and conditions. The scope of our discretion is currently limited to one, or more, of the following categories, in no particular order,

Nominee(s)

Surviving spouse/civil partner

Children

Estate

You can nominate who you would like us to consider paying by completing a nomination form. We'll take the nomination into account but won't be bound by it.

A trust can also be set up so that the lump sum benefits on death can be paid to trustees for the benefit of the beneficiaries.

# Choosing your investment funds

Your payments will be invested in a fund or funds and may be chosen for your pension scheme. If you've an employer's pension your employer will let you know what this is and provide you with an investment guide. If you're arranging your own pension your financial adviser will tell you about your investment options and provide you with an investment guide.

You can change the funds your payments are invested in at any time after the first payment is made.

You can choose to invest payments in a number of investment funds. Alternatively, you can choose an investment approach and Aviva will make most of the investment decisions, so you don't have to. For details of your investment options and the latest fund information please visit our Fund Centre at [aviva.co.uk/retirement/fund-centre/](https://www.aviva.co.uk/retirement/fund-centre/)

You can view your new plan details online with MyAviva and use MyAviva to view the funds available to you and see how any investment choices affect the money you could have when you retire.

MyAviva also lets you monitor and manage your Aviva pension online. Please visit manage your policies online at [aviva.co.uk/help-and-support/managing-your-policy](https://www.aviva.co.uk/help-and-support/managing-your-policy).

## Important notes

### General

The policy document contains the full written terms and conditions of the plan, a copy is available on request.

All references to taxation are to Isle of Man taxation and are based on Aviva's understanding of the current practice of the Assessor of Income Tax. The future basis of tax may vary and the value of any tax relief available will depend on your circumstances. Although every effort has been made to ensure accuracy, no responsibility can be taken for Aviva's interpretation.



## Need this in a different format?

Please get in touch if you'd prefer this member's guide (**SP03092**) in large print, braille or as audio.

## How to contact us

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 **[contactus@aviva.com](mailto:contactus@aviva.com)**

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