

# Key Features of the Flexible Retirement Account

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The Financial Conduct Authority is a financial services regulator. It requires us, Aviva Pension Trustees UK Limited, to give you this important information to help you to decide whether our Flexible Retirement Account 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.**

## Statement of demands and needs

A Flexible Retirement Account is a great way to save for your life after work. It meets your demands and needs for a pension, so you'll have a pot of money to help support you when you retire. Your employer sets up your Flexible Retirement Account and arranges for your regular payments to go directly from your salary to your pension, meaning you don't have to do anything. With money going in every month, you'll gradually build up your pot over your working life.

Please read this document with the illustration. Where relevant information is contained in other documents these will be signposted at the appropriate point. You need to be comfortable that you understand the benefits and risks of this account before deciding whether to invest. The purpose of this document is to help you to make an informed decision. However, we recommend that you seek professional advice before you make any decisions about this account. An adviser may charge for any advice provided.

This document is primarily aimed at someone taking out a new pension.

### What is the Aviva Flexible Retirement Account?

- The Flexible Retirement Account is a group Self-Invested Personal Pension (SIPP) which means it is designed to help you invest for retirement. A group personal pension scheme is a collection of individual personal pension plans arranged by an employer for their employees. It is designed on a group basis so transactions can be made on a bulk basis, for example, payments made by payroll deductions.

### How does the Flexible Retirement Account work?

- The Flexible Retirement Account is provided by Aviva Pension Trustees UK Limited and made available by your employer through My Money.
- It offers a tax-efficient way of saving for your retirement.
- It can accept contributions from you and/or your employer.
- It can also accept transfer values for benefits you have built up while you were a member of a previous pension scheme or arrangement.
- There is flexibility around where you can invest.

### What is My Money?

- My Money is a website provided by Aviva which allows you to apply for, contribute to, invest in and manage a range of retirement, savings and investment products online.

### Should you consider this pension?

- You should consider this pension if:
  - You want to invest for your retirement.
  - You are at least the minimum age required to join the pension of 16.
  - You are under age 75.
  - You are a UK resident.

- You can afford the contributions due.
- You are prepared to keep your funds invested until you are eligible to take benefits.
- You have considered any other pensions that your employer may offer.
- If you're over fifty, haven't been able to save much and can't afford to save much as you approach retirement, you should consider seeking financial advice before starting a pension plan.

### Helping you decide

- You will read references to 'us' or 'we'. This means Aviva Pension Trustees UK Limited, the provider of your pension.
- This document gives you a summary of information to help you decide if you want to join the Flexible Retirement Account and should be read with the 'Flexible Retirement Account Fees and charges' brochure. You should also:
  - Look at the details of the available investments that can be held within the Flexible Retirement Account, which you can find on My Money.
  - Read the information we provide relating to the funds in which you are considering investing, such as the 'Flexible Retirement Account Investment brochure', fund factsheets and Key investor information documents.
  - Look at your illustration that shows what you may receive in the future.
  - **Read the 'Flexible Retirement Account Terms and conditions'.**
- Once you're satisfied that the pension is right for you, follow the joining instructions from your employer.

### Its aims

- To build up a sum of money in a tax-efficient way to provide pension benefits.
- To provide benefits on your death to your dependants or other beneficiaries.

## Your commitment

- For you and/or your employer to make regular contributions to your pension.
- To understand that funds remain invested until you decide to take your benefits. You cannot normally take these benefits before age 55. Under this account, you must decide on the type of benefits you wish to take by age 99.
- To tell us if you stop being eligible for tax relief on your contributions. For example, if all your pension contributions in a tax year are greater than your earnings for that tax year.
- Logging on to My Money to review your account regularly to ensure your investments still meet your needs. This is particularly important if you are taking withdrawals from your account.
- To understand the risks shown in the 'Risks' section.
- To tell us if you have flexibly accessed your money purchase pension savings. Please see section 'What about tax?'

## Risks

- We can't guarantee what your pension fund will be worth in the future. The value of investments in your pension can go down as well as up and you may get back less than the amount paid in.
- The level of benefits you could get may be less than shown in your illustration. This could happen for a number of reasons. For example, if:
  - You and/or your employer reduces or stops contributing to your pension, even if contributions are subsequently restarted.
  - Investment performance has been lower than assumed.
  - Charges have been higher than assumed.
  - You choose to take your benefits before your chosen retirement date.
  - The rates used to calculate any annuity benefits may provide a lower pension income than those assumed in the illustration. This might be because:
    - interest rates when you retire are lower than illustrated; or
    - life expectancy when you retire is greater than that assumed in the illustration.
- Tax rules change. The tax information provided here is based on our interpretation of current legislation, which is subject to change and individual circumstances.
- Some investments carry a higher level of risk than others, and may be subject to sudden and large falls in value; you could get back nothing at all. The investments available to you carry different levels of risks. The value of some investments will go up and down more than others.
- Some of the funds in which you can invest may carry additional risks because of the types of asset they may hold. For instance, the value of funds that invest overseas may fall and rise due to changes in exchange rates, funds that invest in emerging markets may not be regulated as strictly and it may be harder to sell these assets, there may be a delay in accessing your money if you invest in property etc. **Please see the 'Flexible Retirement Account Terms and conditions for more information.** There are other risks which could affect the performance of the funds that you invest in – for more information, **please see the Flexible Retirement Account Investment brochure.**
- If you deal in stocks and shares excessively, or your account is relatively small, then the value of your pension may be eroded as the costs may be disproportionate.
- If you take out the Flexible Retirement Account and change your mind within 30 days of receiving your Member confirmation statement, you won't get back all of your money if a single contribution has been paid and the investment value has fallen.
- The Flexible Retirement Account allows you to invest in a wide range of different assets. Each of these will carry its own investment risks and may incur additional costs and charges. It is not possible to go into the detail of every risk that could affect the investments you hold. For the risks related to each fund, please see the fund factsheets or Key investor information document. You should discuss the risks relating to the particular investments you are considering with your financial adviser if you have one. **If you do not have a financial adviser, you can find one at [www.unbiased.co.uk](http://www.unbiased.co.uk). You may have to pay for this advice.**
- Inflation will reduce the spending power of your pension benefits.
- If you transfer from another pension scheme, you may be giving up valuable rights in that scheme. There is no guarantee that what you'd receive at retirement will be more than the amount you could have received from the previous scheme. Please see the transfers section starting on page 10 for more information.

# Questions and answers

## 1 Is this a stakeholder pension?

- No. A stakeholder pension has to meet minimum standards set by the Government for contribution levels, costs and terms and conditions. As the total annual charges on some funds and other investments may be higher than the Government standards, this isn't a stakeholder pension. **Please see the 'Flexible Retirement Account Fees and charges' brochure for more information on our charges.**
- Your employer has selected the Flexible Retirement Account for you. If your employer offered a stakeholder pension, this might meet your needs at least as well as this pension.

## 2 Can I change my mind?

- Yes. When you have received your membership confirmation statement, you will have 30 days to change your mind and cancel your application for the Flexible Retirement Account.
- You have the right to change your mind if you are investing in the Select fund range. If the Fund supermarket and/or the Alternative investment option are available to you, you will need to waive your right to cancel if you invest in these in the first 30 days. **Please see page 6 for more information about the Select fund range, Fund supermarket and the Alternative investment option.**
- **You must notify us in writing at Aviva, PO Box 2282, Salisbury SP2 2HY in this period if you wish to cancel your account.**
- You will not receive a reminder of your right to cancel.
- If you cancel your account within the 30 day period, and you've made a single contribution into your account and the investment value has fallen, the amount you'll get back will be less than you've paid in.
- We will return all payments to whoever paid it to us. For example, if the payment was from your employer it will be returned to your employer; if you paid from your own bank or building society account it will be repaid to that account.
- If you don't cancel within the 30 days, the pension will continue as set out in these Key features and the Terms and conditions.
- If you are planning on starting Income Drawdown, please see section 'Income Drawdown – can I change my mind about starting Income Drawdown?' on page 10 for more details.

## Transfer payments

- You have a right to change your mind. Once we have completed the transfer of your benefits, you'll have 30 days to let us know if you want to change your mind. You will not receive a reminder of your right to cancel.
- **You must notify us in writing at Aviva, PO Box 2282, Salisbury SP2 2HY within the 30-day period.**
- If you decide to change your mind about transferring your benefits, we'll try to return the transfer payment. If the investment value has fallen, the amount we'll return will be less than the amount transferred in. The transferring scheme may not be willing to take the transfer back or reinstate your benefits in their scheme. Your options then would be to transfer to another provider who is willing to accept it or reapply for a transfer to us.
- If you don't cancel the transfer within 30 days, the transfer payment will remain invested in accordance with the terms of your account and cannot be refunded.

## 3 How can I contribute to my pension?

### What contributions can I make?

- Your contributions will be paid from payroll and will be a fixed percentage of your earnings so your contributions change automatically in line with your earnings.
- Your employer will deduct your contributions from your earnings and arrange for payment.
- The minimum regular contribution into the Select fund range is £50 gross a month (including tax relief and your employer's contribution).
- You can pay in cash sums of at least £500 gross whenever you wish.
- You can make additional payments by direct debit from your own or joint bank or building society account into your pension. The minimum monthly payment is £50 gross.
- You can change the amount you pay, subject to you meeting the minimum and maximum amounts, at any time.  
  
There are no charges for altering contributions.
- No further contributions can be paid after age 75.
- If you are a non-earner, the most you can contribute is £3,600 for tax year 2019/20. For further information on contribution limits, please see section 8, 'What about tax?'

### Can I stop or vary contributions?

- Yes, you can stop or vary contributions at any time. However, you should note that:
  - fewer and/or reduced contributions will reduce the fund available at retirement;
  - as long as the pension stays invested, charges will be taken from it.
  - any employer's contributions may automatically stop if you stop making contributions.

### Can I restart contributions?

- Yes, you can start contributing to the pension again at any time, provided you are still eligible to do so.
- If you are considering stopping, varying or restarting contributions, please request an illustration from us.

### Can I transfer other pensions into the Flexible Retirement Account?

- If you have a pension with another company, you may be able to transfer its value into this pension providing it is another registered pension scheme. There is no guarantee that doing this will increase your total benefits. There may be a charge for doing this. In some cases you must speak to a financial adviser before you can transfer your benefits. You may be charged for this advice.

In some cases such as transfers from a defined benefit scheme where your pension fund exceeds £30,000 the law requires you to take financial advice before you can transfer your benefits. An adviser will charge a fee for that advice.

- You may make a transfer payment into the Flexible Retirement Account. If you do so from a money purchase pension (sometimes referred to as a defined contribution pension), it can be completed as a cash transfer or as a re-registration. If you are making a transfer from a defined benefit pension, it can only be completed as a cash transfer. We do not charge for accepting cash or re-registration transfers.
- The minimum transfer value required to transfer using re-registration is £5,000.

### Are there any risks specific to making a transfer payment?

- If you make a cash transfer there will be a period when you are not invested – this is known as 'out-of-market exposure'. This period lasts for as long as it takes for your previous pension provider to transfer the cash value of your pension to us. This means you may miss out on any potential growth while the transfer is taking place.

- When making a transfer payment from a defined benefit pension, your pension benefits are converted into a cash equivalent before being transferred into your Flexible Retirement Account. The cash equivalent will be guaranteed for three months, as per your illustration. You must tell the transferring scheme that you wish to go ahead with the transfer within three months in order to receive the cash equivalent value. The transferring scheme must then complete the transfer within six months from the start of the guarantee period.
- Once the transfer payment has been made, you won't have any rights to benefits under your previous scheme or arrangement. You need to consider and compare the features, charges, fund ranges of both schemes and any valuable benefits that could be lost. Such valuable guarantees or benefits could be:
  - a guaranteed pension income or one that is linked to your earnings when you left the company;
  - guaranteed annuity rates, which could provide you with a higher level of income than may be offered on the open market;
  - increases in the value of your pension before and after you retire;
  - a pension that will let you access it before age 55;
  - scheme benefits which your dependants would receive if you die before you retire;
  - possible entitlement to additional bonuses if you're currently invested in a with-profits sub-fund. A market value reduction (MVR) may be applied to your benefits which will reduce the value of your fund. You should contact your current pension provider to see if a market value reduction is being applied to your with-profits fund before you apply to transfer your pension.
  - An entitlement to a tax-free cash sum in excess of 25% of the value of your pension.
  - Built-in or enhanced life insurance benefits or waiver or premiums
- Many occupational pension schemes which were contracted out of the State Second Pension and/or the State Earnings Related Pension Scheme had to provide guaranteed benefits which replaced these state benefits. Any replacement benefits are not guaranteed. The benefits we pay may be less than the benefits you are giving up.
- The charges in your old scheme may be lower than your Flexible Retirement Account.
- There could be a charge for transferring your benefits.

### Are there limitations on the type of transfer-in payments that can be accepted?

- We can only accept transfers from registered pension schemes.
- When making a transfer from a money purchase pension (sometimes referred to as a defined contribution pension) into your Flexible Retirement Account, any assets that cannot be transferred through re-registration must be transferred as cash.
- The following transfers will not be accepted into the Flexible Retirement Account:
  - transfers from recognised overseas pension schemes (ROPS);
  - pensions currently impacted by active ‘attachment’, ‘earmarking’ or ‘sharing’ orders (however, once settled we will accept these transfers), disqualifying pension credits;
  - pensions with crystallised assets (i.e. those in payment/Income Drawdown).

### Where will my transfer payment be invested?

- Your transfer payment will be invested in line with your investment instructions given on the transfer application form (up to ten funds). You may also choose to invest in your cash account or follow the instructions you’ve already given us for your regular contributions. If no instructions are received, we will use the instructions you gave us for your regular contributions.
- Once the transfer payment has been invested, you can change where you invest. If you wish to make a fund switch, you should log in to My Money.
- When making a transfer from a money purchase pension (sometimes referred to as a defined contribution pension) into your Flexible Retirement Account, re-registration of transfers can only occur where the transferring asset exists on My Money. Where the transfer cannot be matched, we will request that your previous provider transfer this amount as cash.

## 4 Where can I invest my contributions?

- There are three broad investment ranges that your employer and adviser may make available to you to invest in. These are:
  - Select fund range (always available to you to invest in);
  - Fund supermarket; and
  - Alternative investment option.

**You can find more information about which of these investment ranges are available to you on My Money and from the Flexible Retirement Account Investment brochure.**

### Select fund range

- The Select fund range provides you with a wide and varied choice of investment options. They include funds made available by us and may also include funds selected by your employer, having taken professional advice.

### Fund supermarket

- The Fund supermarket offers you access to more than 1,200 investment funds from a variety of fund management companies. Please note that they are not governed by us. The Fund supermarket is available to you if total contributions (including your employer’s) are at least £100 a month gross (or £1,000 a year), or if the value of your pension is at least £10,000.
- A transfer payment by re-registration of assets can use the Fund supermarket as long as the value is at least £5,000. Any cash arising after the re-registration of assets (e.g. as a result of an income payment) will be transferred as a residual cash sum from the ceding provider at that time. You cannot re-register assets into the Fund supermarket if you do not have this investment choice available to you.

### Alternative investment option

- The Alternative investment option offers you the ability to invest directly in a number of different types of investments, such as stocks and shares listed on the London Stock Exchange. Please note that these investments are not governed by us. The Alternative investment option is available to you if the total of your contributions (including your employer’s) are at least £100 a month gross (or £1,000 a year), or if the value of your pension is at least £10,000.
- A transfer payment by re-registration of assets can use the Alternative investment option as long as the value is at least £5,000. Any cash arising after the re-registration of assets (e.g. as a result of a dividend) will be transferred as a residual cash sum from the ceding provider at that time. You cannot re-register assets into the Alternative investment option if you do not have this investment choice available to you.

## What is the cash account?

- If the Fund supermarket and/or the Alternative investment option are available to you and you choose to invest in them, you are given access to a cash account within your Flexible Retirement Account. The cash account is used to hold contributions pending investment, to receive payments from your investments and to pay account charges. You will be able to invest as soon as there is sufficient cleared cash in the cash account to pay for each investment. Interest is paid on cleared funds and is earned daily and credited to your account on the first of each month. You can see how we set the interest rate on the cash account by referring to the Fees and charges brochure. If you only have access to the Select fund range the cash account is used to clear your contributions before being invested. Any interest will be available for future investment in the funds available to you.

## Where are contributions into my pension invested?

- Your employer with their adviser will have chosen a default investment solution where your contributions will be invested unless you make an alternative choice.
- There is no guarantee that this default investment solution is the most suitable for you. You can find details of the default investment solution in the Flexible Retirement Account Investment brochure.
- You may choose other investments if you do not wish to invest in the default investment solution.
- You can see the available funds on My Money.
- You may also be able to choose a lifetime investment programme. If this is available then all your Select fund range investments will be managed for the lifetime of your pension. **You can find out more about this in the Flexible Retirement Account Investment brochure.**
- If you have chosen a lifetime investment programme and wish to make a transfer payment, this must be a cash transfer as assets cannot be re-registered into a lifetime investment programme.
- When you choose to make a cash transfer into your Flexible Retirement Account you will be limited to the Select fund range or Fund supermarket (if available).

## Can I switch between investment funds?

- Yes. We currently don't charge you for switching to new funds. We will tell you if this changes.
- In exceptional circumstances we may delay the 'cashing in' or 'switching' of units for up to one month, or for funds invested in property, for up to six months while the property is sold if Aviva Life & Pensions UK Limited takes this action in relation to the fund(s) concerned. We may extend these periods:
  - to match any period of delay, postponement, closure or suspension imposed by the fund managers and/or insurers;
  - if, due to exceptional circumstances, Aviva Life & Pensions UK Limited believe it is in the best interests of all investors in the fund.

A delay in the 'cashing in' or 'switching' of units will not occur on your selected retirement date or on death.

- If other managers impose delays on the sale of holdings in their funds in the Fund we will delay the 'cashing in' or 'switching' of units until the other manager completes the sale of those holdings.
- **For more information please see the 'Flexible Retirement Account Terms and conditions'.**

## 5 What charges do we take?

- The charges you could pay for your Flexible Retirement Account are shown below. However, you will only be charged for the services that you use; if you don't use it, you will not be charged for it.
- We may introduce additional charges to reflect new features we make available, and we may increase our charges. Please see your Terms and conditions for details of when this may occur.

### **These are the charges that we will deduct for investing in the Select fund range, Fund supermarket and Alternative investment option:**

- A scheme annual management charge for running your account. It is a percentage amount of your account value which is calculated and accrued daily and deducted monthly. The amount for your account is shown in the Flexible Retirement Account Fees and charges brochure.
- If your account has any discounts applied the details will be shown in the Flexible Retirement Account Fees and charges brochure.

## Key Features of the Flexible Retirement Account

### For the Fund supermarket only:

- A £50.04 annual charge, which is divided by 12 (£4.17 a month) and deducted monthly in arrears. Your annual management charge may change in the future.

### Below are the charges that the fund manager will deduct for investing in their funds (applies to the Select fund range and Fund supermarket):

- Fund annual management charge, which covers administration costs and investment charges. It is normally calculated as a percentage of the fund value.
- Fund additional expenses which are associated with some funds and reflect the cost of managing the assets and include fees to auditors, trustees and valuers. They are normally calculated as a percentage of the fund value. These charges can vary.
- Dilution levy, a charge which might be levied by the fund manager to protect the interests of investors at a time of high levels of buying or selling.
- Bid-offer spread, the difference between the bid (selling) price and the offer (buying) price is called the bid-offer spread; the bid-offer spread charge includes initial charges and dealing costs. This is only applicable to the Fund Supermarket.
- Dilution adjustment, a charge which might be applied by managers of single-priced funds to protect the value of existing investors' holdings if the dealing costs are higher than expected due to a large number of sales or purchases.
- The amounts of the charges will vary between different fund managers.

### Below are the charges that we will deduct for investing in the Alternative investment option:

- A £100 one-off set up charge, deducted when you invest for the first time in this investment range.
- A £150 annual charge which is divided by 12 (£12.50 a month) and deducted monthly in arrears.

### Below are the charges that the stockbroker will deduct for trading in shares and other exchange traded assets (applies to the Alternative investment option):

- Transaction charge of £20 every time you buy or sell an investment through our stockbroker partner.
- Stamp Duty Reserve Tax of 0.5% of the purchase price of UK shares.
- PTM (Panel on Takeovers and Mergers) Levy is £1, payable when buying or selling shares with a total value in excess of £10,000.

### For full details of the charges please see the Flexible Retirement Account Fees and charges brochure. Please note that charges may vary.

### Do you pay an adviser?

- Should you decide to appoint your own financial adviser, you may agree to pay a fee made by deduction from your account – called Member Agreed Remuneration – to your adviser in payment for the advice received.
- **Please see the Flexible Retirement Account Fees and charges brochure for more information.**

### How are Aviva staff remunerated?

- Aviva staff are salaried and they receive an annual bonus based upon the overall performance of the Aviva Group.

Some members of our distribution team may also receive additional bonus, a proportion of which relates to their sales performance.

## 6 What benefits are available to me?

- This section explains what benefits are available to you and when. We will contact you approximately six months before your selected retirement date to give you more details.

### When can I take my pension benefits?

- We set up your pension to provide benefits from your selected retirement date, which you choose at the start. You can change your selected retirement date at any time. If you don't make a choice your selected retirement date will be your 65th birthday.
- You can start taking your benefits from your 55th birthday. You can start taking your benefits even if you are still working.
- If you have a protected pension age, or retire early because of ill-health, you will normally be able to take your benefits before your 55th birthday.
- The latest age at which you can take your benefits under this pension is currently 99. No further contributions can be paid after age 75.

### How much will I get?

- When you are ready to take your pension benefits, the amount you get will depend on your account's value, which is not guaranteed.
- Please see your illustration for an idea of what you might get.

- We'll send you statements each year to show how your account is doing and the amount you may receive at your retirement date.
- You can visit My Money at any time to see the current value of your pension.

### How can I take my pension benefits?

- You will have a fund that you can use to provide pension benefits. There are different options available, and you should take financial advice or guidance before choosing your option(s).
- As you approach your selected retirement date, or when you tell us you wish to take your benefits, we will inform you of your options and of the pros and cons of each.

The options are set out below. You can choose more than one option.

#### A – Annuity

- You can normally take up to 25% of your pension fund as a tax-free cash sum and use the remaining fund to purchase an annuity; an insurance policy that will give you a guaranteed income.
- Alternatively you can use more of your pension fund to purchase an annuity.
- An annuity does not have to be purchased from Aviva Life & Pensions UK Limited. It's important to shop around as you may be able to secure a higher income.
- The amount of the annuity payable will depend upon a number of factors such as the value of your account, the type of annuity purchased, the provider selected, your age and your health.
- Your illustration shows the potential annuity you might get when you reach your selected retirement date.

#### B – Lump Sum

- You have the option to take all or part of your pension fund as a lump sum.
- Under this option, 25% of the lump sum you take will be paid to you tax-free, with the balance subject to tax at your marginal rate of income tax.
- There is no minimum amount that you can take as a lump sum.
- The account allows you to take a maximum of 6 lump sums in a tax year. If you have used the maximum number of withdrawals and wish to take a further lump sum, you will need to wait until the new tax year has started.

#### C – Income Drawdown (also known as Flexi-Access Drawdown)

This option allows you to take income directly from your pension fund while leaving the remaining fund invested.

- You can normally take up to 25% of your pension fund you designate for Income Drawdown as a tax-free cash sum and use the remaining fund for Income Drawdown. Any subsequent withdrawals are taxed as income. Please see section 'What about tax?' for more details.
- You can use all or part of your pension fund to move into Income Drawdown. We will start an Income Drawdown sub-account within your Flexible Retirement Account. There is no minimum amount you have to move into Income Drawdown.
- You can take income from your Income Drawdown sub-account on an ad hoc basis and/or regular income on a monthly, quarterly, half-yearly, or yearly basis.
- Choosing your investments for your Income Drawdown account is an important decision. There is no default investment choice or investment programme that applies to your Income Drawdown sub-account so you should review your existing investments as you move them into Income Drawdown and regularly thereafter. You should feel confident about making your own investment decisions, or take financial advice.
- You can start Income Drawdown using your Flexible Retirement Account or alternatively transfer the value of your account to another pension provider who offers this. It is important to shop around as it could help you obtain better terms.

#### Income Drawdown – key risks

- The value of your pension fund that remains after income is taken can go down as well as up and you could get back less than invested.
- Your future pension income from your Income Drawdown sub-account is not guaranteed as it depends on the level of income taken, investment performance and charges. Your money can run out.
- If you take all or a significant amount of your pension savings from your Income Drawdown sub-account and have no other provisions, this may reduce your ability to provide a sustainable income, or provide for dependants in the future.
- There is no guarantee you will get more income compared to the purchase of a guaranteed income through an annuity.

## Key Features of the Flexible Retirement Account

For information on the risks associated with all the available options, please see our 'Making sense of your retirement options' document.

### Income Drawdown charges

- The charges covered in section 5 'What charges do we take?' cover your Flexible Retirement Account and Income Drawdown sub-account. If both parts are used the charges will be taken proportionately across them.
- We do not currently make a charge for Income Drawdown. If this is to change, we will let you know.

### D – Transfer

- You can transfer your pension fund to another registered pension scheme. Other registered pension schemes may allow additional options.

### Income Drawdown – can I change my mind about starting Income Drawdown?

- Yes. You have 30 days in which you can cancel your option to start your Income Drawdown sub-account. Your cancellation period starts when you receive confirmation from us that your Income Drawdown sub-account has started. **You must notify us in writing at Aviva, PO Box 2282, Salisbury SP2 2HY.**
- You can't cancel your decision to take cash benefits from your account, such as a tax-free sum you may have received. You can only cancel your Income Drawdown sub-account.
- If you don't cancel within the 30 days, your Income Drawdown sub-account will continue as set out in these Key features and the Terms and conditions.
- If you decide to cancel you will have to:
  - tell us what you wish to do with your funds designated for Income Drawdown. If you don't tell us within 30 days of giving us your cancellation instruction, then the Income Drawdown terms will apply and your cancellation instruction will in effect lapse, and
  - if applicable, return any income payment(s) to us as soon as possible (no later than 30 days) after you notify us of your wish to cancel. Returned payments will be invested in the same fund(s) from which they had been taken, unless you tell us otherwise. You will receive the price(s) at the time of reinvestment.

### Information available to you

- The Money Advice Service publish a consumer fact sheet, 'Your pension – it's time to choose', which is available on their website, [www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk).

- Your retirement choices are some of the most important decisions you'll ever need to make. We recommend you get guidance or advice to help you decide what to do with your pension savings. Pension Wise is a government service offering free and impartial guidance. This tailored guidance is available online, over the phone or face to face. Go to [www.pensionwise.gov.uk](http://www.pensionwise.gov.uk) or call **030 0330 1001**.
- A financial adviser will be able to make personal recommendations for you based on your own circumstances and financial objectives. If you don't have a financial adviser, you can find one by visiting [www.unbiased.co.uk](http://www.unbiased.co.uk).

## 7 What else do I need to know?

This section provides other important information you need to know about your pension.

### What will happen if I leave my current employer?

- If you leave your current employer, you can keep your pension plan with us. However, the range of investments you can make may be different. If you do leave, we will give you further information at the time.

### Can I transfer the value of my Flexible Retirement Account to another pension plan?

- You can transfer the value of your Flexible Retirement Account to another registered pension scheme. We will not charge you for transferring out. You can make the transfer as cash, in which case your money will not be invested during the transfer process. This means that you won't be affected by any change in the price of investments during that time. It may be possible to transfer by re-registration of your funds and shares if your new pension provider will accept them. If they cannot, then there may be some costs in order to sell the shares and transfer them as cash.
- If you do transfer to another pension, you can continue to have contributions paid into your Flexible Retirement Account as long as you have requested to keep it open.

### What happens to my pension if I die?

- If you die before you take your pension benefits, then your full pension benefits can be paid as a lump sum.
- The lump sum will be paid to your family members or any others we select, at our discretion, in accordance with our scheme rules.
- You can nominate who you would like us to consider paying by completing a nomination form. We will take the nomination into account but will not be bound by it.

- If you have set up a trust for your account we will pay the lump sum to the trustees of that trust, who are then responsible for paying the trust's beneficiaries. **Please see the 'Flexible Retirement Account Terms and conditions' for more details.**

## 8 What about tax?

This is a registered pension scheme and must follow HM Revenue & Customs (HMRC) rules on contributions and benefits. If these are not followed you could end up paying more tax.

The following information is based on our interpretation of current tax legislation. The tax treatment depends on your individual circumstances and may be subject to change in the future.

### How will contributions into my pension be affected by tax?

- A registered pension scheme is one of the most effective ways to save money for retirement. This is because you get tax relief from the Government on the money paid into your account.
- Each tax year you can get income tax relief on your contributions to **all** registered pension schemes as long as your total gross contributions are not more than the greater of your UK taxable earnings or £3,600 (2019/20).
- We will claim any basic rate tax relief you're entitled to from HMRC and invest it into your account. Currently this is 20%, so for every £4 you pay in, this will add £1. For example, if you pay in £100 a month, tax relief will increase your contribution to £125.
- If you're a higher or additional rate taxpayer, you may be able to claim further tax relief through your self-assessment tax return form or coding. **For more details, please see 'A guide to claiming higher rate tax relief', which is available on request. To request a copy, please contact us using the details in the 'How to contact us' section.**

### Annual Allowance

- HMRC puts a limit on the total amount that can be paid into all your pension arrangements each year before a tax charge is payable. For the 2019/20 tax year this annual allowance is £40,000. Anything paid in above this may incur a tax charge.
- If you earn more than £110,000 (2019/20 tax year) your annual allowance may be reduced.

- If you flexibly access your pension savings, your annual allowance in respect of money purchase pension arrangements\* is reduced for the current and future tax years. For the 2019/20 tax year this reduced annual allowance, the money purchase annual allowance (MPAA), is £4,000. The provider of the pension you have accessed will notify you if this applies. You will then have to tell us.

\*A money purchase pension arrangement builds up a pension pot based on contributions from you and/or your employer.

- You can find out more about the annual allowance on the HMRC website at [www.gov.uk/tax-on-your-private-pension](http://www.gov.uk/tax-on-your-private-pension). If you think you might be affected then we strongly recommend that you receive individual tax advice. For more information about tax please refer to a financial adviser.

### What are the tax implications while my money is invested?

- You will not incur a personal tax liability on any fund growth as long as it remains invested.
- Our fund(s) will grow free of UK income and capital gains tax. Some investment returns may be received by the fund with tax credits or after tax deductions which can't be re-claimed.
- Any investments the fund holds in overseas assets will be subject to the tax rules applicable to that country.

### How will my pension income be taxed?

- You can normally take a tax-free cash sum of up to 25% of your pension's value.
- Your pension income, after any cash sum has been taken, will be taxed through PAYE.
- The amount of tax you have to pay will depend on your income tax rate at the time the pension income is paid.
- There is a limit on the value of retirement benefits that you can draw from a registered pension scheme before a tax charge applies. This limit is called the Lifetime Allowance.

### Lifetime Allowance

- The standard lifetime allowance is £1,055,000 for the 2019/20 tax year. Your lifetime allowance reduces each time you take benefits.
- If, when you take benefits, or at age 75 if earlier, the value of benefits being taken exceeds your remaining Lifetime Allowance, then the excess will be subject to a tax charge, the Lifetime Allowance charge.

## Key Features of the Flexible Retirement Account

- Your personal Lifetime Allowance may be higher than the standard Lifetime Allowance if you have been granted one or more types of Lifetime Allowance protection by HMRC. Further types of protection from the Lifetime Allowance charge may be available if you apply to HMRC within announced timescales, meet any eligibility criteria and continue to comply with any conditions HMRC require. Further information on the HMRC requirements is available at: [www.gov.uk/tax-on-your-private-pension/lifetime-allowance](http://www.gov.uk/tax-on-your-private-pension/lifetime-allowance).
- The amount of the Lifetime Allowance charge depends upon the circumstances in which benefits are taken. If you think the Lifetime Allowance charge or protection may apply, then we recommend you seek financial advice.

### What about tax when I die?

On death before age 75

- The payment of a lump sum will not normally incur any tax liability although tax charges may apply if, when you die, the value of all lump sums paid from your pension plan(s) is more than the lifetime allowance (see above).
- In some circumstances the value of the benefits may also form part of your estate for inheritance tax purposes.

On death after 75

- If you die on or after age 75, the payment of a lump sum will be subject to a tax charge. The amount of the charge will either be:
  - at the recipient's marginal income tax rate (if paid directly to a dependant or beneficiary), or
  - 45% if paid to a trust. The beneficiary of a trust may claim the 45% tax charge paid on the lump sum death benefit as a deduction against their own income tax.

Your financial adviser can provide further information.

## Other information

### How to contact us

- Remember, your employer will normally be your first point of contact.
- If you have any questions you can:



Call us on **0345 604 9915**

Your My Money helpline is available Monday to Friday between 8am and 5.30pm. Please note that calls will be recorded. Calls may be charged and these charges may vary, please speak to your network provider.



Email us at [mymoney@aviva.com](mailto:mymoney@aviva.com)



Write to us at **Aviva, PO Box 2282, Salisbury SP2 2HY**

### How to complain

- Please contact our **Customer Relations Manager using details in the 'How to contact us' section above**
- **Telephone calls will be recorded and saved for a minimum of 5 years.**
- To see our procedures for dealing with complaints, **please ask for our 'our complaints' leaflet.**
- If you are not satisfied with our response, you can contact:

**The Financial Ombudsman Service**  
**Exchange Tower**  
**London**  
**E14 9SR**

Telephone **0800 023 4 567** or **0300 123 9 123**

Website [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

Email [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

- Making a complaint won't affect your legal rights.

## Compensation

- If a financial adviser recommends this pension, you have a legal right to compensation if the Financial Ombudsman Service decides it wasn't suitable for your needs at the time.
- We are covered by the Financial Services Compensation Scheme (FSCS). If we cannot meet our obligations, you may be entitled to compensation under the scheme. This depends on the type of business and the circumstances of the claim.
- In respect of a claim against investments held by Aviva Life & Pensions UK Limited, that is investments in the Select fund range (insured funds), the compensation is 100% of your claim. Please note that FSCS's first responsibility is to seek continuity of the business rather than to pay compensation.

Where Select funds are operated through a reinsurance agreement with another insurance company, this may enable lower charges and more efficient tax treatment of some dividends. However, in the event that the other insurance company were to become insolvent, any assets invested in those funds through a reinsurance agreement would not be protected by the FSCS. This could mean you might get back less than the full value of those assets. If you wish to know which funds are invested through a reinsurance agreement, please see the fund factsheets which are available online at My Money.

- If you suffer a financial loss as a result of us becoming unable or unlikely to be able to meet our claims, you will normally be able to claim under the investment section of the FSCS up to a maximum amount of £50,000 per person.
- For Fund supermarket investments, the maximum claim is £50,000 for each investment firm. The FSCS does not apply to any funds that are not authorised by the FCA. Such funds may be covered by a local compensation arrangement. Please read the fund manager's fund literature for more details.
- For the Alternative investment option – direct investments in stocks and shares are not covered by the FSCS.
- Money held within the cash account will be deposited with HSBC Bank plc. HSBC Bank plc is incorporated in England and Wales and established at 8 Canada Square, London E14 5HQ which is its Registered Office. Deposits with HSBC Bank plc are covered by the FSCS. The FSCS can pay compensation to depositors if a bank is unable to meet its financial obligations. An eligible depositor is entitled to claim up to £85,000 (this limit includes all other accounts and deposits they may hold with HSBC).

- All claims have to be assessed by the FSCS to determine the amounts covered and the claimant's eligibility. **For further information see [www.fscs.org.uk](http://www.fscs.org.uk) or call the FSCS on 0800 678 1100 or 0207 741 4100.**

## 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 when 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.

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.

## Client categorisation

- We categorise each investment customer as a 'retail client'. This gives you the highest level of protection available under the Financial Conduct Authority (FCA)'s Conduct of Business Rules. If you would otherwise be categorised under FCA Rules as a 'professional client' or an 'eligible counterparty', then you may not have access to the Financial Services Compensation Scheme or Financial Ombudsman Service. Please contact your financial adviser if you require further details.

## Terms and conditions

- This document sets out the main points about the Flexible Retirement Account. It doesn't include all the definitions, exclusions, terms and conditions. You can view the Terms and conditions through My Money or you can ask our Customer Services team for a copy.
- We have the right to change some of the terms and conditions. We'll write and explain if this happens.
- Tax information is based on our current understanding of tax legislation.

### Law and language

- This pension is governed by the law of England and will apply unless your pension documents or Terms and conditions show otherwise. Your pension documents, Terms and conditions and all other communications will be in English.

### Financial advisers

- Where you have received information or advice from a financial adviser they will provide you with information regarding their identity, the capacity in which they are acting and their address for future communications.

### About us

- The provider of this pension is Aviva Pension Trustees UK Limited. Its main business is providing pension products. It's entered on the Financial Services Register, number 2407799.

**[www.fca.org.uk](http://www.fca.org.uk)**

### Solvency Financial Condition Report

Every year we publish a Solvency and Financial Condition report which provides information about our performance, governance, risk profile, solvency and capital management. This report is available for you to read on our website at

**[www.aviva.com/investor-relations/institutional-investors/regulatory-returns](http://www.aviva.com/investor-relations/institutional-investors/regulatory-returns)**

**This document is available in other formats.**

If you would like a braille, large print or audio version of this document, please contact us on 0345 604 9915.

**Aviva Pension Trustees UK Limited.**

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**Telephone 0345 602 9189 – calls may be recorded.** [www.aviva.co.uk](http://www.aviva.co.uk)

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