keyfacts®

Key Features of the **Pension Annuity (including the Enhanced Pension Annuity)**

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AVIVA

Key Features of the Pension Annuity (including the Enhanced Pension Annuity)

The Financial Conduct Authority is a financial services regulator. It requires us, Aviva, to give you this important information to help you to decide whether our Pension Annuity (including the Enhanced Pension Annuity) 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.

This Key Features document gives you the main points of the Pension Annuity (including the Enhanced Pension Annuity) plan. Your illustration shows the income you may get. Please read the Key Features together with your illustration so you understand what you're buying. You should then keep them with your other plan documents.

We recommend that you seek appropriate guidance or advice to understand your options. Pension Wise can help you with this. More information about Pension Wise is on page 7.

Its aims

- To pay you a guaranteed income for the rest of your life.
- To pay an income to a dependant when you die, if you choose.

Your commitment

- To use your pension pot to buy a Pension Annuity or Enhanced Pension Annuity from us on fixed terms, to last the rest of your life.
- To make a once and for all decision about the income you want.
- To ensure you answer any medical, personal or lifestyle questions fully, truthfully and accurately to the best of your knowledge. If you fail to do so, your income may be reduced to our standard rates. Any overpayments already made may be recovered.
- To tell us if any of the medical details or other information you give us changes between the time you sign the application form and the start of your plan.

Risks

- You can't change or cash in your Pension Annuity or Enhanced Pension Annuity, even if your personal circumstances change.
- Your dependant won't have any income from this plan after you die if you haven't arranged for your Pension Annuity or Enhanced Pension Annuity to continue.
- Inflation will reduce what your money can buy in the future. There's no protection against inflation unless you choose a Pension Annuity or Enhanced Pension Annuity that increases each year. If you choose a fixed rate of increase this could still mean that inflation increases at a higher rate than your income.
- If you die in the early years of your plan, the total income you've received may be less than the pension pot used to buy the Pension Annuity or Enhanced Pension Annuity. Value protection and setting a guarantee period can protect against this.
- If you have provided us with medical information, to support your application for an Enhanced Pension Annuity, and your doctor is unable to support this information, your annuity income may be reduced to standard rates, unless further medical evidence is provided.
- Annuity rates may change after you have submitted your application. This means the income quoted could change between us providing you with an illustration and you taking out your annuity. If this happens and the income you would receive has reduced, we'll contact you.
- The value of your pension fund can fluctuate so the amount you can use to buy your annuity can change as well.

Questions and answers

What is the Pension Annuity (including the Enhanced Pension Annuity)?

- It's a plan that provides you with an income for the rest of your life. You buy it with your pension pot.
- You must have a pension pot of £10,000 or more, after any tax-free cash is taken, to buy this annuity.
- You can normally buy a Pension Annuity or Enhanced Pension Annuity if you are at least age 55 and not older than 90.
- You may be able to take a tax-free cash sum of up to 25% of your pension pot when you buy your Pension Annuity or Enhanced Pension Annuity. A financial adviser will be able to give you more details.
- It can provide a dependant with an income when you die, should you choose this option.

How flexible is it?

- Before your plan is set up, you can choose its basis and how it's paid.
- You can find details of the choices you can make when setting up the plan, under the headings:
  - What will my income be?
  - What choices will I have about how I get my Pension Annuity (including the Enhanced Pension Annuity)?
- Once the plan is set up, you can't change or cash in your plan, or defer payments made to you from your Pension Annuity or Enhanced Pension Annuity. Setting the policy up also fixes the benefits it provides (if any) to another person after your death. There is no opportunity to change this at a later date.

What will my income be?

The amount of income you get from your Pension Annuity or Enhanced Pension Annuity will depend on a number of things when you set up your plan, including:

- your age
- your postcode
- your marital status
- whether you smoke
- your health/lifestyle for an Enhanced Pension Annuity
- the size of your pension pot
- interest rates at the time
- whether you take a tax-free cash sum
- the adviser you choose
- any choices you make about your income.

It's important to shop around for the best deal for you.
It's possible that you could get a higher income from another provider.

What income options do I have?

You can choose combinations of the below options. You can ask for illustrations with different options to see the difference they would make to your income.

- Payments to your dependant;
  - You can choose to take a smaller income at the start, so that an income is paid to a dependant if you die before them.
  - If an income is to be paid to a dependant after you die, the income you receive will take into account their health, as well as your own.
- Guarantee payment periods;
  - This annuity has a one year guarantee as standard (unless the trustees of the registered pension scheme are the planholder or you have extended the value protection period). However, you can choose to take a smaller income that is guaranteed for longer.
  - You can choose at the outset for any income remaining after your death in the guarantee period, to be paid as a continued income, or a lump sum (if you die before the age of 75).

For more information about this option, please see the 'What is a guarantee period?' section of this document.

- Value protection;
  - This annuity has value protection as standard for 90 days from the start of the plan. However you can choose to take a smaller income where value protection is extended beyond 90 days.
  - You can choose at the outset whether you wish to extend the value protection for the remainder of your life or for a specified term from the plan start date.

For more information about this option, please see the 'What is Value Protection?' section of this document.

- Payment Increases
  - You can choose to take a smaller income at the start, which will normally increase each year. If an income from your Pension Annuity or Enhanced Pension Annuity is to be paid to a dependant after you die, this will normally increase in the same way.
  - Increases to your Pension Annuity or Enhanced Pension Annuity can be:
    - at a fixed rate each year, or
    - in line with the Retail Prices Index (RPI), or
    - in line with the RPI up to a fixed amount. We'll use the RPI figure published the month before the increase is due.
  - If the RPI is negative (deflation), your income will remain level. It will start to increase again once the RPI has risen above the point it was at when your income became level. For more information, please refer to the terms and conditions.
  - The government has special rules for increases to pensions from defined benefit schemes that are earned after 5 April 1997. Your illustration will show the details. An example of a defined benefit scheme is a pension linked to your length of service and earnings.

You don't have to take any options and can choose to take an income that stays the same and stops when you die.

While you are alive we won't reduce or stop your payments based on the options you choose, except where we are unable to verify any medical information.

Can I get a higher income?

- If you (or your dependant, if appropriate) have or have previously suffered from cancer, a heart attack, a stroke, have diabetes or any other serious medical condition that could shorten your life expectancy, you may qualify for a higher income. Not all forms of these conditions will qualify.

Will I have to attend a medical examination?

- You will not be required to attend a medical examination. However, we may ask you (or your dependant, if appropriate) to complete a health questionnaire. We may also ask your doctor for a medical report.
- It is your responsibility to provide us with accurate information about your health and lifestyle.
- We may request your permission to approach your doctor or ask you to carry out a medical test to confirm that the information you have provided is correct. If it is discovered that information provided by you is inaccurate, or if a medical test or permission to consult your doctor is refused, this may result in a reduction of the income payments made to you and/or recovery of any payments already made.

What has happened to my contracted out benefits?

- If you were contracted out through a defined benefit scheme, any contracted out part you earned before 6 April 1997 may be included in your illustration as a "Guaranteed Minimum Pension".

What choices will I have about how I get my Pension Annuity (including the Enhanced Pension Annuity)?

- You can choose how often you'll receive your Pension Annuity or Enhanced Pension Annuity income. This can be monthly, quarterly, half-yearly or yearly. You can choose whether the income is paid at the beginning or end of the period.
- For monthly payments, you can choose the day of the month that we make payments. This can be any day up to the 28th of the month.
- These choices will affect the amount of income you'll get.
- Your income will be paid directly into your UK bank or building society account. We can pay to overseas accounts in most countries, subject to current exchange rates and a charge per payment, currently £2.74.

What happens to my Pension Annuity (including the Enhanced Pension Annuity) when I die?

- Your Pension Annuity or Enhanced Pension Annuity will end when you die unless:
  - you die within the first 90 days of your plan start date, in which case value protection will apply and a lump sum will be paid to your estate. If you have a dependant on your plan, the lump sum will only be paid if you both die within this period and will be paid to the estate of the last one of you to die.
  - you die after 90 days but within your guarantee period. Payments will continue until the end of the guarantee period, these will be paid to your estate or dependant on the policy.
  - an income is to be paid to a dependant and they are still alive.
  - you have chosen to continue your value protection beyond the first 90 days of your plan start date, in which case a lump sum may be payable to your estate or your dependant's estate.

  Please see your terms and conditions or contact your financial adviser (if applicable) or contact us direct for further information and exclusions which may apply to the above.

What is Value Protection?

- Aviva offers value protection as standard for 90 days from your plan start date. If you die within this period a lump sum will be paid to your estate. Where you have named a dependant on your plan and you both die within this period, this lump sum will be paid to the estate of the last one of you to die. The lump sum will be equivalent to the price paid for your annuity, minus any payments already made. It will also include any guarantee period payments.

  You have the option to continue your value protection once the standard 90 day period ends. You can choose to protect up to 100 percent of the price paid for your annuity, either for the rest of your life or for a specified term beginning at your plan start date. Optional value protection will pay any remaining value to your estate as a lump sum when you die. Where you have named a dependant on your plan, the lump sum will be paid to the estate of the last named person to die. This lump sum will be equal to the price paid for your annuity or the percentage you've chosen to protect, less any payments already made.

  If you choose to continue your value protection beyond 90 days from your plan start date the standard one year guarantee period will no longer apply.

What is a guarantee period?

- A guarantee period is a period when the income you set up for yourself will continue to be paid even if you die. Any remaining payments due within the guarantee period will normally be paid as set out in your will and form part of your estate.
- If you die after 90 days but within your guarantee period, we will continue to make your annuity payments to your estate or dependants until the end of that period. However, this does not apply if your annuity was purchased for you by the trustees of a defined benefit pension scheme.

  Aviva offers a minimum one year guarantee period as standard. However you can choose a longer guarantee period of up to 30 years, unless your annuity originates from a defined benefits scheme. The maximum for these is up to 10 years.

  If you choose optional value protection, the guarantee period will no longer apply.

What are the charges?

Product and investment charges

- All the charges for setting up and running your plan are taken into account when we work out your annuity income, bought with your pension pot.
- The illustration shows how much income the pension pot will buy. We don't take any charges from your income.
- If commission is being paid to your adviser, this is covered within the pricing of the annuity and will be shown on your illustration.
- If we need to rewrite the terms of your plan due to any information being incorrect or incomplete, then we will charge you £40 each time.

Adviser Charges

- If you have asked us to pay an adviser charge from your pension pot, this will be shown on your illustration.

What about tax?

- Your Pension Annuity or Enhanced Pension Annuity payments will be treated as earned income and taxed according to your personal circumstances. We will tax it under the Pay As You Earn regulations (PAYE), as we are required to do.
- Your Pension Annuity or Enhanced Pension Annuity payments will normally be made after the tax payable has been deducted.
- If you have selected an income to be paid to your dependant when you die, this may not be taxable. If you die before your 75th birthday and have bought a Lifetime Annuity, your dependant's income will be tax free. Otherwise, their income will be taxed according to their personal circumstances.
- The lump sum value of any remaining guaranteed instalments paid to your or your dependant's estate from your Pension Annuity or Enhanced Pension Annuity may be subject to inheritance tax.
- The government has put a limit on the total value of all retirement benefits (excluding state pensions) that you can normally take without paying a tax penalty. The limit is called the lifetime allowance and the tax is called a lifetime allowance charge. You should already be aware if this is likely to affect the level of annuity you will receive. A financial adviser will be able to give you more details.
- If you die in the guaranteed period before age 75, then:
  - if the lump sum is payable and you have bought a Lifetime Annuity, it will be paid tax free, or
  - if your benefits are provided under a defined benefits arrangement, the lump sum will be paid tax free, or may count towards your lifetime allowance, dependent upon the option chosen at the outset or
  - if payments continue they will be paid tax free.

  If you die in the guaranteed period on or after age 75:
  - payments will continue and will be taxed at the recipient's marginal rate.

  Your illustration will show which applies.
- If you choose to continue value protection beyond 90 days and a lump sum is payable on death, then:
  - if you die before age 75 the lump sum will be paid tax free, or
  - if you die aged 75 or over, the lump sum will be taxed at the recipient's marginal rate.
  - if you have a dependant on your plan, the tax treatment of the lump sum will be determined by the age at which you die but the lump sum won't be payable until you have both died, and will take any dependant's benefits paid into account.
- We've included only a general tax summary in this document; tax treatment depends on your individual circumstances.
- We've based this information on our current interpretation of tax rules. These rules may be subject to change in the future.
- A financial adviser can give you more details about your tax position.

Can I change my mind?

- You have the option to cancel your Pension Annuity (including the Enhanced Pension Annuity):
  - At any point before your annuity plan starts, or
  - Up to 30 days from the date that you receive our confirmation that your annuity plan has started.
- If you choose to take a tax-free cash sum and decide to cancel your annuity:
  - before the tax-free cash sum is paid, we can return the funds to the transferring pension scheme if you gain their agreement that they are willing to accept the pension funds back, or
  - after we or another provider have paid the tax-free cash sum, it cannot be returned and you must use the remaining pension pot to buy another product that provides you with an income in retirement, either from us or another provider. If you do not do this within 6 months of the tax-free cash sum being paid, it will no longer be tax free and will become subject to tax charges.
- If you want to cancel your application for a Pension Annuity (including the Enhanced Pension Annuity) before the plan has started all you have to do is tell us.
- In order to cancel the annuity plan after it has started, you must:
  - Sign and return the cancellation form within the 30 day period, which you can find at the back of your illustration.
  - Return any income payments we may have already paid, by cheque made payable to Aviva. Please post this to the address under the How to contact us section.
  - Gain agreement from an insurance company to receive the funds so that they can provide you with an income in retirement within six months of the payment of your tax-free lump sum, if you've received one.
- Where you have asked us to pay an adviser charge and this has already been paid it will not be refunded.
- If the cancellation form is not returned the annuity plan will continue.

How to contact us

- If you have received advice your financial adviser will normally be your first point of contact. They'll have provided you with information that contains their contact details.
- If you've any questions at any time, you can phone, e-mail, or write to us.

Call us on **0800 068 6800**

Monday to Friday	**8.00am to 8.00pm**
Saturday	**8.30am to 5.00pm**
Sunday	**10.00am to 4.00pm**

Outside of these hours you can use the same number and leave a message on our answer-phone.

We may monitor calls to improve our service.

E-mail

contactus@aviva.com

Office address
Aviva
PO Box 520
Norwich
NR1 3WG

Other information

How to complain

- If you ever need to complain, you can contact us at:

  Aviva Customer Relations
  PO Box 3182
  Norwich NR1 3XE

  Telephone number: 0800 068 6800
  Email: Contactus@aviva.com
- If you are not satisfied with our response, you may be able to take your complaint to the Financial Ombudsman Service.

  The Financial Ombudsman Service can look at most complaints and is free to use. You do not have to accept their decision and will still have the right to take legal action.

  Their contact details are:

  The Financial Ombudsman Service
  Exchange Tower
  London
  E14 9SR

  Telephone: 0800 023 4567
  Website: www.financial-ombudsman.org.uk

Terms and conditions

- This Key Features document gives a summary of Aviva's Pension Annuity (including the Enhanced Pension Annuity). It doesn't include all the terms and conditions; if you would like a copy of these, please ask your financial adviser (if applicable) or contact us direct.

Law

- The plan is governed by the law of England. Your contract will be in English and we will always speak to you in English.
- We're regulated by the Financial Conduct Authority:

  The Financial Conduct Authority,
  12 Endeavour Square,
  London
  E20 1JN.

  We're also regulated by the Prudential Regulation Authority:

  The Prudential Regulation Authority
  20 Moorgate
  London
  EC2R 6DA

Potential conflicts of interest

- Occasions can arise where Aviva plc Group Companies, or their 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 reasonable steps to manage that conflict of interest, in whatever manner is considered appropriate in the circumstance. 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.

Client classification

- The Financial Conduct Authority has defined three categories of customer. You've been classed as a 'retail client', which means that you'll be provided with the highest level of protection provided by the Financial Conduct Authority rules and guidance.

Aviva staff remuneration

- 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.

Compensation

- If you have received advice:

  Qualified advisers will recommend that you buy products suitable for your needs. You've legal rights to compensation if, at any time, it's decided that you've bought a plan that wasn't suitable for your needs at that time.
- The Financial Services Compensation Scheme covers your plan. If Aviva becomes insolvent and we are unable to meet our obligations under this plan, for this type of plan the scheme will normally cover you for 100% of the total amount of your claim. For further information, see www.fscs.org.uk or telephone 0800 678 1100 or 020 7741 4100.

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 aviva.com/investors/regulatory-returns/

Pension Wise

- If you are approaching retirement we recommend you get guidance or advice to help you understand your options.
- Pension Wise has been set up by the government and offers free and impartial guidance for people retiring with defined contribution pensions. It will help you understand what your choices are and how they work.
- You'll be able to get help on the Pension Wise website, over the phone or face to face. For further information, see **www.pensionwise.gov.uk** or call them on 0800 138 3944 to book a free appointment

Braille, large font, audio material

You can order our literature in Braille, large font or audio.
Just call **0800 068 6800** or email **contactus@aviva.com** and tell us:

- the format you want
- your name and address
- the name or code of the document. The code is usually in the bottom left hand corner on the back of most documents.

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Pension Annuity (including the Enhanced Pension Annuity)

Terms and Conditions

AVIVA

Welcome to Aviva

Your plan document consists of both the terms and conditions and the **plan schedule**. The benefits payable are detailed in the 'Confirmation of your Pension Annuity' or 'Confirmation of your Enhanced Pension Annuity' which is attached to and forms part of the **plan schedule**. These give you important information to use in the future. Please keep them in a safe place along with any plan alteration statements showing changes to your plan document. If they are lost there may be a delay in the payment of benefits.

Definitions

We have highlighted some of the technical words we have used in bold. Definitions are given in Section 5.

Where the words 'we', 'us' or 'our' are used in this plan document, they refer to Aviva Life and Pensions UK Limited.

The words 'you' and 'your' means the **planholder**.

In the 'Confirmation of your Pension Annuity' or 'Confirmation of your Enhanced Pension Annuity', 'you' and 'your' means the **annuitant**.

What you should do now you have received the plan document

You should read the plan document immediately you receive it, and satisfy yourself that it fully meets your needs. If it does not, you should refer to a financial adviser for urgent help; changes can only be made within the cancellation period. If you find an error please return it to us at the address in the **plan schedule**. We will send you a replacement free of charge if the error was made by us.

Contents

Section 1
Outline of the Pension Annuity (Open Market Option) and Enhanced Pension Annuity (Open Market Option)

This section only applies where the plan is shown as a Pension Annuity (Open Market Option) or Enhanced Pension Annuity (Open Market Option) on the **plan schedule**.

We have accepted a payment from one or more **UK registered pension scheme(s)**. This is shown on the 'Confirmation of your Pension Annuity' or 'Confirmation of your Enhanced Pension Annuity'.

This plan derives from the **registered pension scheme(s)** shown on, or in connection with, the application.

The plan can only receive payments from **UK registered pension schemes**. Pensions under this plan will be provided by Aviva Life and Pensions UK Limited.

The plan satisfies the conditions set out in the Finance Act 2004, as amended from time to time.

Section 2
Outline of the Pension Annuity (Transfer) and Enhanced Pension Annuity (Transfer)

This section only applies where the plan is shown as a Pension Annuity (Transfer) or Enhanced Pension Annuity (Transfer) on the **plan schedule**.

We have accepted a payment from one or more **UK registered pension schemes**. This is shown on the 'Confirmation of your Pension Annuity' or 'Confirmation of your Enhanced Pension Annuity'.

Your plan is subject to the rules of the Aviva Personal Pension Scheme which is a **UK registered pension scheme**. You became a member of the scheme on the **contract date**. We'll be happy to send you a copy of the rules if you wish.

We may change the rules in the future.

If there is any inconsistency between the rules and this plan document, the rules will override this plan document.

Pensions under this plan will be provided by Aviva Life and Pensions UK Limited.

Section 3
The general rules applying to this plan

1. The information you gave to us

We rely on the information that is provided to us. If any of the information provided to us is not true, is not complete, or cannot be confirmed by the member's/dependant's Doctor and this might reasonably have affected our decision to provide the members/dependants with this plan, then we may:

i. change the terms of this plan, or

ii. restrict the benefits payable under the plan and seek recovery of any overpayments already made.

2. Dealing with this plan

When we deal with this plan we will explain what we need at the time and will tell you where this information needs to be sent. This may include one or more of the following:

i. completed form of request or discharge

ii. this plan document

iii. proof that any claim under the plan is valid

iv. proof of your date of birth, date of birth of your spouse, civil partner or dependant(s), or evidence of marriage or civil partnership

v. death certificate

vi. any documents relevant to this plan

vii. any other information such as that needed to show that we have authority from the right person(s) to deal with this plan.

3. Law that applies

This plan is issued in England and is covered by English Law.

4. Currency and place of payment

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

5. Payments made by us

In order to ensure that we pay the correct amount to the correct person or if a change is required to who we are making payments to, we will ask for certain information or documentation to be provided to us.

This information or documentation may include a birth certificate, marriage or civil partnership certificate, bank account details and evidence that the person claiming the benefits under the plan is entitled to do so.

We will let you know what evidence needs to be provided at the time it is required and will tell you where this information should be sent.

We will make payments by direct credit or any other method we agree. We will not make any payments in cash.

We will pay the pension to the **annuitant, dependant** or to the trustees of the plan as requested.

We may need to change our agreed methods of payment in the future. We will give you three months' notice if a change is required.

6. Plan changes

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

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

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

We will tell you in writing of any change we consider is to your disadvantage (other than any change necessary to meet regulatory requirements) at least 30 days before the change becomes effective, unless external factors beyond our control mean that only a shorter notice period is possible.

7. Taxation

Pensions under this plan are subject to tax under the relevant legislation. This requires us to apply the Pay As You Earn (PAYE) procedure to your payments.

Where the plan is shown as a Pension Annuity (Transfer) or Enhanced Pension Annuity (Transfer), we will deduct any Lifetime Allowance Charge from the value transferred. If there is a charge, it will be shown on the **plan schedule**.

The taxation of any lump sum payable on death of the **annuitant** is described in part 5 of section 4.

8. No third party rights

Any person who is entitled to payment of a contracted out pension under this plan may enforce their right to receive the pension. Apart from this, the plan does not confer any rights on any person or body other than the parties to the contract and no other person or body shall have any rights pursuant to the Contracts (Rights of Third Parties) Act 1999 to enforce any terms under this plan.

9. Transfer and cashing in

The benefits payable under the plan cannot be transferred to another insurance company.

The benefits payable cannot be commuted or cashed in (in part or in full), except:

a. to comply with a pensions sharing order; or

b. if you are the trustees of a **registered pension scheme** which is insolvent and winding up. We will calculate the value on a basis determined by the **actuary**.

If you are also the **annuitant**, you cannot transfer ownership of the plan to another person.

If you are the trustees of a **UK registered pension scheme**, you can transfer ownership of the plan to the trustees of another scheme, or to the **annuitant**.

10. Unauthorised payments

No person shall be entitled to receive or benefit from an unauthorised payment as defined in Part 4 of the Finance Act 2004. If an unauthorised payment is made you promise to pay our losses and expenses (if any) for any scheme sanction charge for which we may be liable in respect of it under section 239 of the Finance Act 2004 (as amended from time to time). This shall not apply where the unauthorised payment occurred because of an error or wilful default on our part. This paragraph shall override anything to the contrary in the rest of the plan terms.

Section 4
The benefits payable

1. Introduction

The benefits payable under the plan are shown in the 'Confirmation of your Pension Annuity' or 'Confirmation of your Enhanced Pension Annuity' which is attached to and forms part of the **plan schedule**.

This section gives more detailed information on some aspects of the benefits that may or may not be applicable to your plan. Each part of this section includes an explanation as to when that part will be applicable. Please refer to the 'Confirmation of your Pension Annuity' or 'Confirmation of your Enhanced Pension Annuity' for the benefits applicable to your plan.

2. Pension increases in line with the Retail Prices Index

This part only applies if a pension increases in line with the Retail Prices Index.

We'll increase the pension in line with the percentage increase in the Retail Prices Index (also known as RPI) published by the Office of National Statistics, or any other index which replaces it.

We'll use the index which is published in the calendar month before the pension increase date compared with the index published one year earlier.

The pension won't change for the coming plan year if the index is negative.

We'll calculate the next increase using the index published in the calendar month before the increase is due. We'll then compare that with the index published in the calendar month before either the last pension increase or the month the plan started, whichever is later.

3. Pension increases in line with the Retail Prices Index up to a fixed amount

This part only applies if a pension increases in line with the Retail Prices Index up to a fixed amount.

We'll increase the pension by the lower of:

a. the percentage amount(s) shown in the retirement illustration; and

b. The rate of Retail Prices Index declared by the Government for the period from 1 October to 30 September, ending in the year before the calendar year of the pension increase date.

The pension won't change for the coming plan year if the index is negative.

4. Maximum pension(s)

This part only applies if a maximum pension section is shown on the **plan schedule**.

The pension or a **dependant's** pension will be limited to a maximum pension each year. The maximum pension at the **plan start date** is shown on the **plan schedule** and will increase at each pension increase date by the greater of:

a. 3% each year; and

b. the increase in the Retail Prices Index.

The increase in the Retail Prices Index will be calculated in accordance with part 2 of this section, except that the increase will be based on the current maximum pension after allowing for the pension equivalent of any tax-free cash taken. The increase to the **dependant's** pension will be based on the current maximum **dependant's** pension.

If we are unable to pay part or all of a pension increase then:

a. If you are the **annuitant**, we will hold the excess pension as a credit and pay it as and when the maximum limit allows.

If we are holding any excess pension as a credit when you die, we will aim to use it to provide an additional pension to a dependant within the meaning set out in paragraph 15 of section 28 to the Finance Act 2004. If you do not have such a dependant, the credit will be retained by us.

b. If you are not the **annuitant**, we will hold the excess pension as a credit. Any excess pension held which cannot be paid at the next pension increase date will be returned to you.

5. Death

If there are no dependants payable on your policy;

- And you die within 90 days of your policy start date, value protection will apply and a lump sum will be paid to your estate. This will be equal to the price paid for the annuity, less any payments already made. This payment will include any guaranteed payments. If your annuity was purchased for you by the trustees of a defined benefit pension scheme payment of this sum may trigger a check against the lifetime allowance and/or a tax charge.
- Or you die more than 90 days after your policy start date but before the end of your guaranteed period, the remaining guaranteed payments will be made to your estate and will then stop. However, this does not apply if your annuity was purchased for you by the trustees of a defined benefit pension scheme.
- Or you die more than 90 days after your policy start date having chosen to continue your value protection beyond the standard 90 day period, a lump sum may be payable to your estate. This payment will be equal to the price paid for your annuity or the percentage you've chosen to protect, less any payments already made. This only applies if there is a shortfall and you die within the remainder of any chosen term.

If there are dependants payable on your policy;

- Their benefits may start immediately on your death, or at the end of the guaranteed period. If you die within the guaranteed period, the remaining installments may be payable to the **dependant** you have named, or may form part of your estate and be payable as the person handling your estate asks us to. Your **plan schedule** will tell you how this will affect your plan.
- And you both die within 90 days of your policy start date, value protection will apply and a lump sum will be paid to the estate of the last named person to die. This will be equal to the price paid for your annuity, less any payments already made. This payment will include any guaranteed payments.
- And you both die after 90 days of your policy start date having chosen to continue your value protection, a lump sum will be made to the estate of the last named person to die. This lump sum will

be equal to the price you paid for the annuity, or the percentage you've chosen to protect, less any payments already made. This only applies if there is a shortfall and you die within the remainder of any chosen term.

- And you both die after 90 days but before the end of your guaranteed period, the remaining guaranteed payments will continue to be paid until the end of the guarantee period.

If you have chosen for a lump sum to be payable instead of the remaining payments in the guaranteed period an adjustment to its value will be made because it is paid early.

The lump sum will be calculated as follows:

i. we will calculate the number of outstanding payments from date of death to the last payment to be made within the guaranteed period.

ii. each outstanding payment will be reduced. This reduction is based on a set rate (currently 0.75%), compounded up depending on how far in the future each payment is due. These reduced instalments added together will amount to the lump sum.

iii. we may further reduce the lump sum by the set rate depending on the amount of days between the date of death and the date the next payment would have been made.

We will tell you in writing the amount of lump sum payable.

6. Dependant's pension

This part only applies if a **dependant's** pension is to be paid after the **annuitant** dies.

The **plan schedule** will show whether the person named as the **dependant**:

a. is entitled to the **dependant's** pension; or

b. is only entitled to the **dependant's** pension if at the date the **annuitant** dies, the person named as the **dependant** is:

    i. married to the **annuitant**; or

    ii. a **civil partner** of the **annuitant**; or

    iii. a **dependant** of the **annuitant** within the meaning set out in paragraph 15 of Schedule 28 to the Finance Act 2004.

Where iii. applies, the person named as the **dependant** will, at the date the **annuitant** dies, need to satisfy the **scheme administrator** that they are entitled to receive the **dependant's** pension. They are entitled to do so if they were financially dependent on or interdependent with the **annuitant** at the time of their death. This can mean that they relied on their joint income to maintain their lifestyle, or held joint assets. If they are not a dependant as so defined, or do not provide the **scheme administrator** with satisfactory evidence that they are such a dependant then they will not be entitled to receive a pension.

Where the **annuitant's** pension is a *scheme pension* and the **annuitant** dies on or after their 75th birthday, the **dependant's** pension must not be greater than that permitted under paragraph 16A of Schedule 28 to the Finance Act 2004.

Provisions applicable where the benefits include a Guaranteed Minimum Pension

If a male **annuitant** is married when he dies, a pension 50% of the **annuitant's Guaranteed Minimum Pension** will be paid to the **annuitant's** surviving spouse, whether male or female, at the time. This may be a different person from the **dependant** shown on the **plan schedule**.

If a female **annuitant** or an **annuitant** of any gender in a civil partnership dies, a pension of 50% of the **annuitant's Guaranteed Minimum Pension** earned after 5 April 1988 will be paid to the **annuitant's** surviving spouse or **civil partner** at the time. This may be a different person from the **dependant** shown on the **plan schedule**.

The pension will start from the next payment date following the **annuitant's** death, and will continue for the lifetime of the widow/ widower or **civil partner**.

Provisions applicable where the benefits include a contracted out pension earned after 5 April 1997 under a 'final salary' scheme

If the **annuitant** is married or in a civil partnership on the **contract date**, then when the **annuitant** dies, a pension equal to 50% of the **annuitant's** pension earned after 5 April 1997 will be paid to the **annuitant's** widow/widower or **civil partner**.

The pension will start from the next payment date following the **annuitant's** death, and will continue for the lifetime of the widow/ widower or **civil partner**.

Section 5
Definitions

We have used some technical words in this document. They are explained below.

Actuary
The person holding, for the time being, the office of Actuary to Aviva in accordance with regulations made under the Financial Services and Markets Act 2000.

Annuitant
This is the person entitled to receive the pension and is named as the annuitant on the **plan schedule**.

Application
This is the form signed by the scheme trustees and/or the **annuitant** to take out this plan.

Civil partner
This is the **annuitant's civil partner** as defined in the Civil Partnership Act 2004.

Contract date
This is the date the contract comes into force.

Dependant
This is the person (if any) named as the dependant on the **plan schedule**. The circumstances in which any **dependant's** pension will be payable are set out in part 6 of section 4 and the 'Confirmation of your Pension Annuity' or 'Confirmation of your Enhanced Pension Annuity'.

Guaranteed Minimum Pension (GMP)
This is the minimum amount of pension a 'final salary' scheme had to provide as one of the conditions of contracting out of the *State Earnings Related Pension Scheme* prior to 6 April 1997. If there is any GMP applicable to your plan, this will be shown on the 'Confirmation of your Pension Annuity' or 'Confirmation of your Enhanced Pension Annuity'.

State Earnings Related Pension Scheme
The additional pension provision of the state pension scheme, which is related to the slice of earnings between the lower and upper earnings limits. These limits apply to those earnings on which National Insurance contributions are payable and will change each year.

The State Earnings Related Pension Scheme was replaced by the State Pension for anyone who retired on, or after, 6 April 2016.

HMRC
This means Her Majesty's Revenue and Customs. Where the context so requires it shall also mean the Board of Inland Revenue.

Lifetime annuity
A pension provided from a **UK registered pension scheme**, under a 'money purchase arrangement'. The plan is purchased from an insurance company of the **annuitant's** choice and must satisfy the conditions set out in paragraph 3 of Schedule 28 to the Finance Act 2004.

Plan schedule
This is the schedule enclosed with this document.

Plan start date
This is the date we received the fully completed **application** and payment unless we agree an earlier date in writing.

Planholder
This is the legal owner of the plan.

UK registered pension scheme
A pension scheme registered under Part 4 of the Finance Act 2004.

Scheme administrator
This is the person responsible for certain aspects of the management of the **UK registered pension scheme**.

Scheme pension
A pension provided from a **UK registered pension scheme**, which must satisfy the conditions set out in paragraph 2 of Schedule 28 to the Finance Act 2004.

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