keyfacts®

3

Key Features of the Company Pension at Aviva

AVIVA

Key Features of the Company Pension at Aviva

The Financial Services Authority is the independent financial services regulator. It requires us, Aviva, to give you this important information to help you decide whether our Company Pension at Aviva is right for you. You should read this document carefully so that you understand what you're buying, and then keep it safe for future reference.

Its aim

- To build up a pension fund in a tax efficient way, so you can buy a retirement income.

Your commitment

- To make monthly or yearly payments until your chosen retirement age. Or to make at least one single or transfer payment.
- You're not committed to sending us any payments if you're in a scheme where you don't have to make any payment. Instead your employer has to pay into your plan until your chosen retirement age.
- To keep the plan until your chosen retirement age and then use your pension fund to buy a retirement income.
- To invest for the long term, normally until you retire. You don't have access to money invested in your pension fund until you buy a retirement income. You won't usually be able to take your pension benefits before age 55.
- To give up your rights in the other pension scheme if you're making a transfer payment.
- To review your investment and payments regularly.
- To tell us about changes that might affect your plan. Full details of what you must tell us are in the 'Who can join the plan' section of 'A guide to your company pension'.

Risks

- The value of your pension fund can go down as well as up and the pension fund might be worth less than the amount paid in.
- What you get back isn't guaranteed. It will depend on investment performance and the cost of buying a retirement income.
- Your retirement income may be lower than illustrated if:
  - you and/or your employer stop or reduce your payments
  - investment performance is lower than illustrated
  - the cost of buying a retirement income is more than illustrated
  - you start taking your retirement income earlier than your chosen pension age
  - tax rules change
  - charges increase above those illustrated.
- If you're transferring a pension fund from another pension scheme, what you get from this plan at retirement could be very different.
- Depending on the type of scheme you're transferring from, you may be giving up all or some of the following:
  - a guaranteed retirement income that is linked to your pay when you leave the company
  - an increase in your pension fund between now and when you retire; this could be linked to inflation
  - increases in your retirement income; these could also be linked to inflation
  - a larger tax-free cash sum when you retire
  - life cover.

  Your financial adviser can show you what benefits you'd be giving up if you transferred from your existing scheme. As part of this, they can tell you if transferring to a plan with us is likely to match or exceed these benefits.
- The investment funds you can choose from have different levels of risk. Full details of each fund are given in 'A guide to investing in your company pension'.
- If you make a single payment and then cancel the plan within 30 days, you may get back less than you've paid in.
- If you take money out of a With-Profit Fund, we can pay you less than the quoted value of the amount you take out. We explain this further under the heading 'Where are the payments invested?'
- In certain circumstances, we may need to delay payments, transfers and switching funds. For example, during adverse conditions or where it's in the interests of the fund(s) and planholders.

  For most funds, the delay can be up to one month. For funds that can't be easily converted into cash (like a Property Fund or a fund that is fully or partly invested in land or buildings), the delay could be up to six months. After such a delay in the cancellation of units, the unit price used will be the price applicable at the end of the deferred period. Further details can be found in the terms and conditions.
  - We will tell you if and why a delay is necessary.

Questions and answers

What is the Company Pension at Aviva?

- It's a plan for people aged under 75 who are eligible to join a company's Group Personal Pension Scheme, and want to invest for retirement in a tax-efficient way.
- It may be suitable for people who are employed or self-employed.
- Your employer can make payments to this plan.
- It's not an occupational pension plan.

Is this a stakeholder pension?

- The Government has set minimum standards that companies must meet for stakeholder pensions. They are to do with payment levels, costs, and terms and conditions. This plan isn't a stakeholder pension plan because it doesn't meet all the rules the Government has set.
- You need to know that stakeholder pension schemes are also available and may meet your requirements. You may want to get advice from a financial adviser.

How flexible is it?

- You can make one-off payments at any time. You may also make regular monthly or yearly payments. Your payments will be subject to the limits that we set.
- You can increase your regular payments.
- You can reduce your payments, or stop and restart them at a later date. Reducing or stopping your payments will reduce the value of your pension fund. If you want to stop paying you can ask us for more information on how charges might reduce your pension fund.
- You may be able to transfer your pension fund from another pension scheme to this plan. We recommend that you speak to a financial adviser before you do this to make sure it's suitable for you.

What might I get when I want to retire?

- What you get when you retire will depend on the size of your pension fund and the cost of buying a retirement income.
- The size of your pension fund will depend on how much has been paid in, how long it's invested for, the investment performance of the funds you choose and any relevant charges.
- Your illustration gives an idea of what you might get.

What happens if I contracted-out of the State Second Pension before 6 April 2012?

- From 6 April 2012 the Government stopped contracting-out for this type of pension plan. This means that from the 2012/13 tax year, no money from your National Insurance payments will go into this plan. It will go into the State Second Pension instead. The money from your National Insurance payments that went into your plan before 6 April 2012 will be treated in the same way as the rest of your fund.

What choices will I have when I retire?

- You can use your pension fund to buy a retirement income. Or you can take part of it as tax-free cash and use the rest to buy a smaller retirement income.
- You don't have to use all your pension fund at once. You can buy your retirement income in stages.
- You can take your benefits from age 55.
- People in some occupations, or who can't carry on working because of ill health, may be able to use their pension fund to buy a retirement income earlier than age 55.
- The government has changed some of the pension rules so you no longer have to use your pension fund to buy a retirement income or take a tax-free cash lump sum before you're 75. However, under this plan you still have to use your pension fund before you're 75.

  If you decide to wait until after you're 75 to use your pension fund, you will have to take your money out of this plan and put it into a different one which lets you use your pension fund after you're 75. You will need to do this before your 75th birthday.
- You can buy your retirement income from us or from any other provider.
- We'll remind you about the choices you have nearer to your chosen retirement age.

How much can be paid into my plan each year?

- We have minimum or maximum levels for payments and we may change these from time to time.
- Currently, you can make regular payments of at least £20 per month but, if you want to make single payments, the minimum amount you can pay in is £1000. We reduce this to £500 if you've already made a single payment or if you're making regular payments.

- HM Revenue & Customs sets the maximum that you can pay into the plan and still receive tax relief. We only accept payments that qualify for tax relief.
- Your employer can pay into this plan.
- We collect regular monthly and yearly payments by direct debit, and one-off payments by cheque. If you work for an employer, they'll usually take your payments from your salary and send them to us, together with any payments they're making.
- You may be able to transfer your pension fund from another pension scheme into this plan.

What about tax?

- You'll get tax relief on your payments at the basic rate of tax, even if you're not a taxpayer.
- We'll claim the basic rate tax relief for you from HM Revenue & Customs.
  - For example, if basic rate income tax is 20% and you pay £80 a month, tax relief would add £20 a month. This means that for every £80 you pay, £100 goes into your plan.
- If you're a higher rate taxpayer, you claim your extra tax relief from your tax office. Some higher rate taxpayers may be subject to a tax charge.
- You don't get tax relief for any money you transfer into this plan from another scheme.
- Your pension fund will grow free of UK income and capital gains tax. We pay corporation tax on dividends received from UK shares.
- When you take your benefits, you can normally take up to 25% of your fund as a tax-free cash sum. You may be able to take more than this if your plan includes a specific type of transfer payment; if this applies to you, we'll let you know.
- You may have to pay income tax on your retirement income. How much income tax you pay will depend on your total income at that time.
- If you die before buying your retirement income, any cash sum payable will normally be free of inheritance tax.
- This information about taxation is based on our understanding of current law and tax practice. Tax rules may change. Future changes in law and tax practice, or your own financial circumstances, could affect your retirement income or how much tax you have to pay.
- A financial adviser can give you more details about your tax position.

Where are the payments invested?

- You can choose the funds you want to invest your money in.
- We invest all of your payments in the funds you choose.
- Each fund is divided into units of equal value. We use your money to buy units in your chosen funds. The value of the units will rise or fall depending on the investment performance of the funds.
- The funds have different aims and levels of risk. You can find more information about the funds and how many are available to you in 'A guide to investing in your pension'.
- You can change the funds your payments are invested in. We don't charge you for doing this, but we reserve the right to limit the number of changes you make.
- With-profits is a type of investment that shares out fund performance of a With-Profit fund to its investors through a system of bonuses.
- We may apply a market value reduction any time money is moved out of a With-Profit fund. This includes when we move the money as part of a lifestyle or phased switching strategy. This means we can pay you less than the quoted value of the amount taken out. This is most likely to happen following a large or prolonged fall in the stock markets or after a period where investment returns are regularly below the level we expect. We explain this in more detail in the 'A guide to with-profits investment and how we manage the fund' and 'A guide to investing in your pension' booklets. Please contact us or your financial adviser if you would like a copy of these.

What are the charges?

- We charge for managing your plan. The amount charged depends on the funds you choose. These charges will reduce the value of your pension fund. We may increase our charges if the cost of managing your plan increases due to changes in taxation, regulation, the law, and the cost of fund management. We'll tell you if we do this.
- Fund manager expenses may be charged for some funds to cover the costs to the fund manager of running the fund. These expenses are connected with buying, selling, valuing, owning and maintaining the assets in the fund. The charge is made by reducing the price of each unit in the funds. The yearly rate of the fund manager expense charge may vary throughout the year. The charge depends on your choice of funds and is updated at least once a year. To see what funds have this charge please read 'A guide to investing in your pension'.

- If your employer has received advice from a financial adviser relating to your Company Pension they may have arranged for this to be paid for by deductions from your plan.
- A charge may also be levied if you have received individual advice from a financial adviser and agreed to pay this charge through your plan. These charges will reduce the value of your plan.
- The charges may increase if you leave your employer's plan.
- We'll give you details of the charges for your plan and the effect they have on your fund.

What happens to the plan if I die before I retire?

- If you die before you buy your retirement income, we can pay out the value of your pension fund as a cash sum. Alternatively, we can provide a retirement income for your husband, wife, civil partner or dependants.
- If you've arranged your plan under a suitable trust we'll pay any cash sum to the trustees.

Can I transfer my plan?

- You can transfer the value of your pension fund to another pension scheme at any time before you start taking your retirement income.
- We don't charge for a transfer, but depending on investment performance, the amount transferred may be less than the total payments to your plan.

Can I change my mind?

You can change your mind within 30 days from the later of:

– the day we tell you your plan starts.

– the day you receive your plan document.

- If you decide you don't want the plan, we'll give you your money back. If you've made a single payment and the value of your pension fund has fallen, you'll get back your payment minus any fall in the investment value in this period.
- If your plan includes a transfer from another pension scheme, the transferring scheme may not take your transfer back.
- The cancellation notice will include the address you must send it to if you change your mind about your plan. Alternatively, you can contact us at the address given overleaf.
- Your plan will continue if we don't receive your cancellation notice within the 30 days.

How will I know how my plan is doing?

We'll send you a statement each year showing the payments to your plan and the current fund value.

You can check the current price of our investment funds by visiting our website at
www.aviva.co.uk/funds/pension-funds.html

How to contact us

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

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

0845 900 0817
Monday to Friday 9am - 5pm
We may monitor calls to improve our service.

helpdesk@aviva.co.uk

Aviva
PO Box 520
Surrey Street
Norwich
NR1 3WG

Other information

How to complain

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

Aviva
Customer Relations
PO Box 3182
Norwich
NR1 3XE

Telephone number: 08000 686 800

Email: Helpdesk@aviva.co.uk

- If you are not satisfied with our response, you can write to:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR

Telephone number: 0845 080 1800

Email: complaint.info@financial-ombudsman.org.uk

This won't affect your legal rights.

Terms and conditions

- This Key Features document gives a summary of this plan. You should also read the full terms and conditions. You may already have a copy; if you don't you can get a copy from your adviser or you can contact us direct.

Law

- The law of England will apply in legal disputes and your contract will be written in English. We'll always write and speak to you in English.
- We're regulated by the Financial Services Authority (FSA) whose contact details are:

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

Potential conflicts of interest

- There may be times when Aviva plc group companies or our appointed officers have some form of interest in the business being transacted.
- If this happens or we become aware that our interests, or those of our officers, conflict with your interests, we'll take all reasonable steps to manage that conflict of interest. We'll do this in a way that treats all customers fairly and in line with proper standards of business.

Compensation

- Qualified advisers will recommend that you buy products suitable for your needs. You've got legal rights to compensation if it's decided that you've bought a plan that wasn't suitable for your needs at that time.
- The Financial Services Compensation Scheme covers your plan. If Aviva becomes insolvent and we can't meet our obligations under your plan, the scheme may cover you for 90% of the total amount of your claim. For further information, see www.fscs.org.uk or telephone 020 7892 7300.

Client Classification

The FSA 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 FSA rules and guidance.

Braille, large font, audio material

You can order our literature in Braille, large font or audio.
Just call **08000 686 800** or email **helpdesk@aviva.co.uk** 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.

Aviva Life & Pensions UK Limited. Registered in England No 3253947. 2 Rougier Street, York, YO90 1UU.
Aviva Life & Pensions UK Limited is authorised and regulated by the Financial Services Authority. FSA Registration No 185896.
Member of the Association of British Insurers.
www.aviva.co.uk

SP 03 011 04/2012