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To be used with the Flexible Retirement Account that complies with automatic enrolment regulations.

# Key features of the Flexible Retirement Account

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# Key features of the Flexible Retirement Account

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 as the government has required your employer to enrol you into a pension scheme as you meet the eligibility requirements. This means 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 continue 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's designed to help you invest for retirement. A group pension scheme is a collection of individual personal pension plans arranged by an employer for their employees. It's 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 your online account.
- 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've built up while you were a member of a previous pension scheme or arrangement.
- There is flexibility around where you can invest.

## Is this pension right for me?

- The pension might be right for you if:
  - You want to invest for your retirement.
  - You're at least the minimum age required to join the pension of 16.
  - You're under age 75.
  - You can afford the contributions due.
  - You're prepared to keep your funds invested until you're eligible to take benefits.
  - You've considered any other pensions that your employer may offer.
  - You're a UK resident.
- If you're over 50, 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. You can get free and impartial guidance on your pension options from the government through Pension Wise. Visit their website at **www.pensionwise.gov.uk** or call **0800 011 3797**.

## Giving you more information

- You'll 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 about the Flexible Retirement Account. You should also:
  - Read the information you have received about automatic enrolment.
  - Look at the details of the available investments that can be held within the Flexible Retirement Account, which you can find on your online account.
  - Read the information we provide relating to the investment solution where contributions are first invested such as the 'Flexible Retirement Account Investment brochure'/'Pension Guide', fund factsheets and Key investor information documents.
  - Look at your illustration that shows an example of what you may receive in the future.
  - **Read the 'Flexible Retirement Account Terms and Conditions'.**

## 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 and beneficiaries.

## Your commitment

- For you to make regular contributions to your pension.
- Your employer may also contribute into your pension. This may be dependent on you paying a minimum level of contribution.
- To understand that funds remain invested until you decide to take your benefits from your minimum pension age. The minimum pension age is currently age 55. From 6 April 2028 this will be age 57 unless you have a protected pension age. To find out more visit **www.aviva.co.uk/nmpa**. Under this account, you must decide on the type of benefits you wish to take before age 99.
- To tell us if you stop being eligible for tax relief on your contributions. For example, if all your personal pension contributions in a tax year are greater than your earnings for that tax year, you won't be eligible for tax relief.
- You will pay any contribution required to ensure that total contributions to your account are at least equal to the minimum levels required under automatic enrolment regulations.
- To review your account regularly to ensure your investments still meet your needs. This is particularly important if you're taking withdrawals from your account.
- To understand the risks shown in the 'Risks' section.
- To tell us if you've flexibly accessed your money purchase pension savings. Please see section 'What about tax?' and the 'Annual Allowance' sub-section.

## 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 selected retirement date.
  - The rates used to calculate any 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.
- The investment solution into which contributions are automatically invested may not be suitable for you. **Please see the 'Flexible Retirement Account Investment brochure'/'Pension Guide' for more information.**

- 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. **Please see the 'Flexible Retirement Account Investment brochure'/'Pension Guide'/'Exchange-traded instruments and economic conditions document' for more information.**
- If the Alternative investment option is available to you and you choose to invest in it you should review the following: **library.aviva.com/mm35018.pdf**. You will be reminded and required to confirm you have read and accepted this as part of any investment into the Alternative investment option.
- 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 are going to cancel, you should be aware of the rules set out in the 'Can I opt out of the scheme and cancel this account?' section.
- 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's 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're considering with your financial adviser if you have one. **If you don't have a financial adviser, you can find one at 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've received from the previous scheme. Please see the transfers section starting on page 9 for more information.

# Questions and answers

## 1 Can I change my mind?

### Can I opt out of the scheme and cancel this account?

- Yes, after joining you have the right to opt out of your employer's pension scheme and receive a refund of contributions as set out below.
- You cannot signal your intention to opt out before you have joined.
- You only have one month after joining the scheme in which to let us, or your employer, know if you wish to opt out. You will be advised in writing when you have joined or will be joining and the dates between which you can opt out.
- The notice given to you by your employer tells you how to opt out. Alternatively, call us on **0345 600 6303** to request an opt-out form.
- If you opt out within this period, we'll refund all regular contributions we have received to your employer, who will arrange a refund of your personal contributions to you.
- If you don't opt out within this period, your account will continue as set out in these Key features and the Terms and conditions. Any contributions received will not be refunded.
- You will not be able to invest in the Fund supermarket and/or Alternative investment option, if these are available to you, until after the end of the opt-out period.
- If you opt out within your opt out period, any single payment paid into your account will also be refunded. We will refund any payment paid in, less any fall in value that has occurred before we receive the earlier of;
  - confirmation of your opt-out from your employer, or
  - your written notice that you wish to cancel your payment.

  This means you may get back less than you invested.

  To avoid any delay that may occur if your employer does not tell us promptly that you have opted out and to help reduce the risk of your investment falling in value, write to us at **Aviva, PO Box 2282, Salisbury SP2 2HY** to cancel your payment at the same time you decide to opt out. **You will still need to send your opt-out notice as notified by your employer.**

  We will return the payment to whoever paid it to us.
- If you are planning on starting Income Drawdown, please see section 'Income Drawdown - can I change my mind about starting Income Drawdown?' on page 8 for more details.

### Transfer payments

- You have a right to change your mind. Once we have completed the transfer of your benefits from another pension scheme, 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.

## 2 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.
- There is no minimum regular contribution amount into the Select fund range when made by payroll.
- You can make additional regular or one off payments by direct debit from your own or joint bank or building society account into your pension. The minimum monthly payment amount is £50 gross. There is no minimum one off payment amount.
- 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're a non-earner, the most you can contribute is £3,600 for the current tax year. For further information on contribution limits, please see section '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. If the account has not been in force for long or its value is small, the ongoing charges may significantly reduce the future value of the fund;
  - if you reduce contributions to below the minimum levels required under automatic enrolment regulations, and you remain in employment, your employer will re-enrol you into the scheme and increase contributions to at least the minimum level approximately every three years;
  - 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're still eligible to do so.
- If you're 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's 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're making a transfer from a defined benefit pension, it can only be completed as a cash transfer. We don't charge for accepting cash or re-registration transfers.
- If your Flexible Retirement Account offers the investment you're currently in with the other registered pension scheme, we'll accept the transfer via re-registration in order to limit out of market exposure. The other registered pension scheme may convert the units in your investments into a common share class to facilitate the re-registration. Upon receipt of the investments, we'll convert the units to the cheapest share class we offer, where applicable. If your online account doesn't offer the investment you're currently in, we'll accept the transfer via a cash transfer.
- We will only proceed with any transfer application once you have reached the end of your opt-out period.

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

- 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;
  - Pensions that allow you to take more than 25% tax-free cash
  - Pensions which pay a loyalty bonus or increase linked to inflation
  - Built-in or enhanced life insurance benefits or waiver of premiums
  - Pensions that let you retire early
  - possible entitlement to take benefits from your previous pension arrangement earlier than your minimum pension age. This is currently age 55. From 6 April 2028 this will be age 57 unless you have a protected pension age. To find out more visit **www.aviva.co.uk/nmpa**;
  - 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 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.
- If you make a cash transfer there'll be a period when you're 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.
- 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 accept cash transfers and re-registration transfers only from registered pension schemes.
- Any assets that cannot be transferred through re-registration must be transferred as cash into the Flexible Retirement Account.
- The following transfers won't 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 that, if they're transferred, prevent members investing in defined benefit schemes in the future;
- 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'll 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 your online account.
- 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 assets can only occur where your online account offers the same investment. Where the transfer cannot be completed via re-registration, we'll request that your previous provider transfer this amount as cash.

## 3 Where can I invest my contributions?

- There are three broad investment ranges that your employer and their adviser, Mercer, 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 your online account and from the Flexible Retirement Account Investment brochure/Pension Guide.**

**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 with their adviser, Mercer.

**Fund supermarket**

- The Fund supermarket offers you access to approximately 1,000 funds from a variety of fund management companies. Please note that they're 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 lump sum from the ceding provider at that time. You cannot re-register assets into the Fund supermarket if you don't 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 (https://londonstockexchange.com/). Please note that these investments aren't 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 (transfer of assets from another platform) 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 lump sum from the ceding provider at that time. You cannot re-register assets into the Alternative investment option if you don't have this investment choice available to you.

### What is the cash account?

**How it works**

You'll automatically get a cash account with your Flexible Retirement Account. It's an essential part of how your Flexible Retirement Account works, so it's not to be confused with a cash or money market fund.

**Your cash account:**

- holds contributions before you make investments
- receives payments from your investments
- pays account charges.

**Investing**

You can invest when there are 'cleared funds' in your cash account. This is money that is immediately available for financial transactions. Until then, the money is described as 'pending'. Contributions held in the cash account will be invested at the next available investment date. The fund factsheet relevant to the fund you're invested in should tell you when this is.

**Charges**

You must keep a sufficient balance in your cash account to meet any charges. Any difference between the sale value received by us and your outstanding charges will stay in your cash account. If the money for charges isn't in your cash account, we sell some of your investments to the same value as the charges, plus 10%. So if your charges are £20, we sell investments worth £22 by cancelling units from your most recent investments. The minimum amount we deduct to cover your charges is £5. So if your outstanding charges are £4, we'd sell your investments to a value of £5.

**Interest**

You can earn interest on cleared funds in your cash account. Gross interest is paid at the current Bank of England base rate, shown at www.bankofengland.co.uk. If the base rate falls, your cash account interest rate will fall in line with it. Interest rates can be zero or negative. Interest is calculated daily and then credited to or deducted from (if the rate is negative) your account on the first working day of each month. The money in your cash account is held on deposit with HSBC Bank plc.

**Where are contributions into my pension invested?**

- Your employer with its adviser, Mercer, has chosen an investment solution where your contributions will be invested. For more information please see the 'FRA Investment Brochure'/'Pension Guide'.
- Once your first contribution has been invested, you can choose where your contributions are invested and make a fund switch if you want. You can do this by logging into your online account.
- You may also have target retirement funds available. These are designed to help reduce the risk of large fluctuations in the value of your pension as you get closer to retirement. **You can find out more about this in the Flexible Retirement Account Investment Brochure/Pension Guide.**

**Can I switch between investment funds?**

- Yes. We currently don't charge you for switching to new funds. We'll 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 believes it's in the best interests of all investors in the fund.

  This would 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 supermarket we'll 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'.**

## 4 What charges do we take?

- The charges you could pay for your Flexible Retirement Account are shown below. However, you'll only be charged for the services that you use; if you don't use it, you won't 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'll deduct for investing in the Select fund range and Fund supermarket:**

- The illustration shows an example of how fees and charges will reduce the value of your pension based on the funds, contribution level and other information shown.
- A scheme annual management charge for running your account, covering the costs of setting up the scheme, ongoing administration and remunerations costs. It's 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.

**These 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 is charged by fund managers for managing a fund. It's normally calculated as a percentage of the fund's value and deducted from the daily fund unit price. This varies depending on the fund(s) you invest in.

  Most fund charges can be found at **aviva.co.uk/mymoney-fund-range**. Alternatively, you can find annual management charges for all your funds by logging into your online account.

– Investment governance charge, a charge paid to Mercer Limited for governing certain Mercer-labelled funds, as well as asset allocation advice for the Mercer growth funds and the Target Retirement Funds. It is included in the Fund AMC (see above).

  The investment governance charge is specified in the fund aim of each affected fund.

– Fund manager charge, referred to as 'additional expenses' within literature, which covers the cost of running the fund, such as audit and administration fees. It's normally calculated as a percentage of the fund's value and deducted from the daily fund unit price. This charge varies depending on the fund(s) you invest in and doesn't apply to all funds. Details can be found on the fund factsheet.

– Fund manager initial charge, which we've negotiated with fund managers so you won't have to pay an initial charge.

– 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. The difference between the bid and offer price varies.

– Dilution levy, a charge which may be applied by a fund manager to cover additional dealing costs incurred during periods of high demand for buying or selling. It's issued when investors buy or sell units. This helps to protect the interests of other investors who might otherwise be adversely affected. Details of which charges apply can be found in a fund's Key Information Document (KID).

– Dilution adjustment, an adjustment to the unit price of a fund which may be applied by a fund manager to cover additional dealing costs incurred during periods of high demand for buying or selling. This helps to protect the interests of other investors who might otherwise be adversely affected. Details of which charges apply can be found in a fund's Key Information Document (KID).

– Please note that additional costs may be incurred when investing in the alternative investment option and fund supermarket.

– The amounts of the charges will vary between different fund managers.

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

- A transaction charge of £20 will apply every time you buy or sell an investment in the Alternative Investment Option range through our stockbroker partner. Example: A buy and sell are two transactions and would cost £40.
- A Stamp Duty Reserve Tax of 0.50% of the purchase price is payable to HM Revenue & Customs when buying 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. When buying shares, it's included in the purchase cost. When selling shares, it's deducted from the amount received from the sale.

**Do you pay an adviser?**

- Remuneration may be paid from your account to your employer's financial adviser, Mercer.
- 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.

**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 an additional bonus, a proportion of which relates to their sales performance.

## 5 What benefits are available to me?

This section explains what benefits are available at your selected retirement date. However, we'll contact you approximately six months before this date to let you know the options available to you in greater detail.

**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 before you take your pension benefits. If you don't make a choice your selected retirement date will match what your employer had chosen for the scheme. For example, age 65.

- You can start taking your benefits from the minimum pension age. You can start taking your benefits even if you're still working. Please note the Government is changing the minimum pension age from 55 to 57 from 6 April 2028, however depending on your circumstances you may be able to access it earlier such as when you have a protected pension age (to find out more visit **www.aviva.co.uk/nmpa**) or are unable to work due to ill health or incapacity.
- The latest age at which you can take your benefits under this pension is 99. No further contributions can be paid after age 75. Legislation allows you to delay taking your benefits with no upper age limit. If you wish to do this, you'll need to transfer your account to another pension provider before your 99th birthday.
- We'll write to you nearer your selected retirement date to confirm your options. Pension Wise from MoneyHelper is a free, government-backed service, offering clear, impartial and specialist guidance on your retirement options. If you're aged 50 or over, this service is available to you. Visit **moneyhelper.org.uk/pensionwise** or call **0800 138 3944** for full details of the service.

**How much will I get?**

- When you're ready to take your pension benefits, the amount you get will depend on your account's value, which isn't guaranteed.
- Please see the illustration for an idea of what you might get. If you've not received an illustration, please ask us.
- We'll send you statements each year to show how your pension is doing and the amount you may receive at your retirement date.
- You can visit your online account at any time to see the current value of your pension.
- On divorce or dissolution of a civil partnership, the court may decide to issue a pension sharing order against the account. We would then reduce the value of your pension in line with the court order. The balance would be available to your former spouse or civil partner to transfer into a registered pension scheme or qualifying recognised overseas pension scheme of his or her choice.

**How can I take my pension benefits?**

- You'll 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 your approach your selected retirement date, or when you tell us you wish to take your benefits, we'll inform you of your options and of the pros and cons of each.

The current 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 lump sum and use the remaining fund to purchase an annuity, an insurance policy that'll give you a guaranteed income.
- Alternatively you can use more of your pension fund to purchase an annuity.
- An annuity doesn't 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.
- Once you've purchased an annuity you cannot change your mind.

**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. The remaining 75% will be added to your other income for the tax year and you'll pay income tax on this amount. It's important to remember that taking out large amounts of money in a year may mean you move to a higher tax band.
- There is no minimum amount that you can take as a lump sum.
- If you haven't previously triggered it, taking this option would trigger the Money Purchase Annual Allowance. For further details, please see page 9.

**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 lump sum and use the remaining fund for Income Drawdown. Any subsequent withdrawals are taxed as income. Please see 'What about tax' on page 9 for more details.
- You can use all or part of your pension fund to move into Income Drawdown. We'll 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's no default investment choice or investment programme that applies to your Income Drawdown sub-account. (The default investment solution is where your money will be invested on your behalf if you don't exercise your rights to invest your money elsewhere.) 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.
- Your annual allowance applied to contributions to your Flexible Retirement Account or other money purchase pension schemes will reduce if you take any income in addition to your tax-free lump sum. This is also known as the Money Purchase Annual Allowance. For further details please see Section 7 'Annual Allowance'.
- 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's 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 is not guaranteed.
- 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's no guarantee you'll get more income compared to the purchase of a guaranteed income through an annuity.

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 4 '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 don't currently make a charge for setting up an Income Drawdown pot or any withdrawals you choose to take from it. If this is to change, we'll let you know.

**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** should you wish to cancel your Income Drawdown sub-account.
- 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'll 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'll receive the price(s) at the time of reinvestment.

**D - Transfer**

- You can transfer your pension fund to another registered pension scheme, including a Qualifying Recognised Overseas Pension Scheme (QROPS). Other registered pension schemes, including QROPS, may allow additional options.

**Information available to you**

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

- Pension Wise from MoneyHelper is a free, government-backed service offering clear, impartial and specialist guidance on your retirement options. If you're aged 50 or over, this service is available to you. Visit **moneyhelper.org.uk/pensionwise** or call **0800 138 3944** for full details of the service.
- 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, go to **unbiased.co.uk**, or we can put you in touch with one. A financial adviser may charge you for their services.

## 6 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?**

- You can keep your Flexible Retirement Account with us. When you leave, we'll give you more information about your options. The range of investments you can make may be different, as could the charges.

**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, including a QROPS. We won't charge you for transferring out. If the receiving registered pension scheme (including a QROPS) offers the investment you're currently in we'll transfer via re-registration in order to limit out-of-market exposure. We may convert the units in your investments into a common share class to facilitate the re-registration. Upon receipt of the investments, the receiving provider will convert the units to the cheapest share class they offer, where applicable. If the receiving registered pension scheme (including a QROPS) doesn't offer the investment you're currently in, we'll transfer the funds via a cash transfer.
- You can ask us for a transfer value illustration. This'll give you examples of how much you could transfer to another pension depending on when you transfer.
- If you do transfer to another pension, you can continue to have contributions paid into your Flexible Retirement Account as long as you've requested to keep it open.

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

- If you die while you still have this pension plan your beneficiaries can choose to take the value of the remaining fund as:
  - A lump sum; or
  - A dependant's or nominee's flexi-access drawdown; or
  - A dependant's or nominee's annuity.
- The benefits will be paid to your beneficiaries selected at our discretion, in accordance with our scheme rules.
- You can nominate who you'd like us to consider paying by completing a nomination form. We'll take the nomination into account but won't be bound by it.
- A flexi-access drawdown or annuity can be taken with Aviva where a suitable product is available, or the funds can be taken to another provider.
- Where a beneficiary is not a dependant or nominee they'll only be entitled to a lump sum.
- If you've set up a trust for your account we'll pay any benefits as a 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.**

## 7 What about tax?

Here is some information based on our interpretation of current tax legislation. Your tax treatment depends on your main place of residence as advised to us by HM Revenue & Customs (HMRC) and your other individual circumstances.

**Tax relief on your contributions**

- As you normally get tax relief from the government on pension contributions you pay into your plan, investing into a pension can be the most efficient way of saving for your retirement.
- For example, if you're a basic rate taxpayer, for every £4 paid in, an extra £1 will be added. So if you pay in £100, HMRC will pay in another £25 as long as your total gross contributions in a tax year aren't more than the higher of your UK taxable earnings, or £3,600 in that year.

Here's how it works:

You can currently save 100% of your income into a pension to get tax relief, as long it doesn't exceed £60,000 in a tax year.

If you earn £3,600 or less, the maximum you can contribute is £3,600. This includes the government's top-up, so your personal contribution should be no higher than £2,880.

- If you pay more than basic rate tax, you may be able to claim further tax relief through your self-assessment form or coding. See the 'How to contact us' section of this document and ask for **'A guide to claiming tax relief over the basic rate'**.
- If you transfer money from another pension plan into this one then you won't get any tax relief on the transfer value as this money will already have benefited from tax relief.
- If your employer operates a 'salary sacrifice' (also known as 'salary exchange') arrangement then you'll receive tax benefits in a different way. Please contact your employer for further information.
- More information on tax relief is here: **https://www.gov.uk/tax-on-your-private-pension**

**Annual Allowance and Money Purchase 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. This is the Annual Allowance. Anything paid in above the Annual Allowance may incur a tax charge.
- The Annual Allowance may be reduced if you earn more than the 'threshold income'.
- A reduced annual allowance, known as the Money Purchase Annual Allowance (MPAA) will apply to you if you flexibly access your pension savings. If MPAA applies, you will have been informed of this by the provider of your arrangements.
- Transfer payments don't count towards your Annual Allowance.
- More information on the Annual Allowance and MPAA is here: **https://www.gov.uk/tax-on-your-private-pension**

**Lump Sum Allowance and Lump Sum & Death Benefit Allowance**

HMRC places limits on the amount of tax-free benefits that can be taken from pension schemes. The limits apply to benefits during your lifetime and on death. Income tax is payable on benefits taken above these amounts.

For tax year 2024/25 the standard Lump Sum Allowance is £268,275 and the standard Lump Sum & Death Benefit Allowance is £1,073,100. Your remaining allowances reduce each time you take benefits. Your personal allowances may be higher than the standard amounts if you've been granted one or more of the types of protections by HMRC.

You can find more information on these allowances at: **gov.uk/tax-on-your-private-pension**. If they're likely to affect you, we recommend you get financial advice.

**Tax-free lump sums and payments**

- You can normally take up to 25% of your plan as a tax-free lump sum, taking what's left as an income. You can choose from a guaranteed income for life (known as an annuity), income drawdown payments, or individual lump sums.
- Annuity payments, income payments and lump sums are taxed, based on your highest income tax rate. If we don't know your tax code, an emergency tax code may be applied, meaning you may pay too much, or not enough tax on these payments. You'll need to reclaim overpaid tax.

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

- You won't pay any personal tax on the growth of your fund, as long as your money stays invested. It can then 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 cannot be re-claimed.
- Any investments the fund holds in overseas assets will be subject to the tax rules applicable to that country.

**What about tax when I die?**

If you die before age 75, there won't normally be any tax to pay. However, if the value of tax-free benefits taken from your pension plan(s) during your lifetime and on death is more than the Lump Sum & Death Benefit Allowance (see above), the beneficiary may pay income tax on the excess.

The beneficiary may also pay income tax if the lump sum death benefit is paid out more than two years after your death.

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:

- based on the beneficiary's income tax rate after the payment is added to their other earnings, or
- 45% if paid to a trust or your personal representatives. 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.

A financial adviser can provide further information.

In some circumstances, the value of your benefits may also form part of your estate for Inheritance Tax purposes.

**We strongly recommend you seek financial advice if you think you're affected by tax charges.**

# 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 600 6303**
  Your helpline is available Monday to Friday between 8am and 5.30pm. Please note that Aviva will record calls to improve service. Calls may be charged and these charges may vary, please speak to your network provider.

  Email us at **mymoney.questions@aviva.com**

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

## How to complain

If you've taken a product out with Aviva and are unhappy with the product or the service you received, you can contact us using the details in the 'How to contact us' section.

We aim to resolve your complaint quickly. If we can resolve your complaint within three working days following the day we receive it, we will write and confirm this to you, along with your rights to refer your complaint to the Financial Ombudsman Service (FOS).

If your complaint is not resolved within three working days of receiving your complaint:

- Your complaint will be acknowledged promptly.
- A dedicated complaint expert will be assigned to review your complaint.
- A thorough and impartial investigation will be carried out.
- You will be kept updated of the progress.
- Everything will be done to resolve things as quickly as possible.
- A written response will be sent to you within eight weeks of receiving your complaint, thiswill inform you of the results of the investigation or explain why this isn't possible.

Where your concerns are unable to be resolved or have not been resolved within eight weeks, you may be able to ask the FOS to carry out an independent review. Whilst firms are bound by their decision you are not. Contacting the FOS will not affect your legal rights. You can contact them on **0800 023 4567** or visit their website at **financial-ombudsman.org.uk**, where you will find further information.

## 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're 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 wouldn't 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.
- If you suffer a financial loss as a result of us becoming unable or unlikely to be able to meet our claims, you'll normally be able to claim under the investment section of the FSCS up to a maximum amount of £85,000 per person.
- For Fund supermarket investments, the maximum claim is £85,000 for each investment firm. The FSCS doesn't apply to any funds that aren't 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 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'll 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 key features of the Flexible Retirement Account. It doesn't include all the definitions, exclusions, Terms and Conditions. You can view the Flexible Retirement Account Terms and Conditions through your online account or you can ask our Customer Services team for a copy.
- We have the right to make changes to the Terms and Conditions in certain circumstances (please see the Flexible Retirement Account Terms and Conditions for further information). We'll let you know 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've received information or advice from a financial adviser they'll provide you with information regarding their identity, the capacity in which they're 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.

  **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 **aviva.com/investor-relations/institutional-investors/regulatory-returns**.

## Need this in a different format?

Please get in touch if you'd prefer this key features (**MM30554**) in large font, braille, or as audio.

## How to contact us

0345 600 6303

mymoney.questions@aviva.com

aviva.co.uk

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