



# Terms and Conditions of the **Workplace Retirement Account**

These are our standard terms and conditions on which we intend to rely. You should read these terms carefully. If you do not understand anything, please contact us for further information.

This document is aimed at trustees.



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# 1 Introduction

## 1.1 About this document

This document describes the conditions that apply to **your Account** with **us**.

This **Account** is a contract between **you** and **us**.

In this document, unless the context requires otherwise, words in the singular shall include the plural and vice versa and words in the masculine gender shall include the feminine and vice versa. Certain words in the document shown in bold shall have the particular meanings described below.

## 1.2 What is meant by ‘you’, ‘your’, ‘us’, ‘we’, and ‘our’

### You and Your

The trustees from time to time of the **scheme** to whom this **Account** has been granted and where applicable may include **your** agents.

### Us, We and Our

Aviva Life & Pensions UK Limited or its successors in title and where applicable may include our agents, including Aviva Investment Solutions UK Limited.

## 1.3 Other expressions we use in this document

This section explains what **we** mean by various expressions that **we** use in this document and any endorsements (notices of changes to the **Account**).

### Account

The Workplace Retirement Account which these conditions, and any endorsements relate to.

### Administration Headquarters

Means:

P.O.Box 2282  
Salisbury  
SP2 2HY

or such other address as **we** may advise from time to time.

### Authorised pension provider

Means a person who has permission under Part 4 of the Financial Services and Markets Act 2000 to effect or carry out contracts of long-term insurance, or a European Economic Area (EEA) firm of the kind mentioned in paragraph 5(d) of Schedule 3 to the Financial Services and Markets Act 2000 which has permission under that Schedule to effect or carry out contracts of long-term insurance.

### Automatic Enrolment

This means the process by which an **employer** enrolls **jobholders** into the **scheme**, as required under **automatic enrolment regulations**.

### Automatic Enrolment Regulations

Means the provisions relating to pension scheme membership for **jobholders** set out in Part 1 of the Pensions Act 2008, as amended, and supporting secondary legislation (including but not limited to) The Occupational and Personal Pension Scheme (**Automatic Enrolment**) Regulations 2010, all as amended from time to time.

### AVCs

Additional voluntary contributions paid by the **member**. These are in addition to any contributions **members** may have to make to the **scheme** as a condition of **scheme** membership.

### Client Money Account

Means a client segregated bank account where client money is held in accordance with the Financial Conduct Authority Client Money Rules, as amended from time to time.

### Client Money Rules

Means the client money rules as set out in the Client Asset Sourcebook section of the FCA Handbook.

### Daily dealing cut off point

The price at which investments in the Select **fund** range are traded is calculated at regular intervals. In order to buy or sell those investments on a particular day, **we** must receive **your investment instructions** by a particular time (known as the **daily dealing cut off point**). That time may be different for different investments. It might be changed from time to time for any particular investment in accordance with these terms and conditions. Where a **daily dealing cut off point** applies to an investment, it will either be published online or **you** can obtain it by telephoning **us**.

### Designate/Designated

Means the method by which the **member** can make some or all of their notional account available for **Income Drawdown**.

### Eligible jobholder

Means a person who meets the requirements of sections 1(1) and 3(1) of the Pensions Act 2008 in relation to the **employer**.

### Employer

Means the principal employer or any other employer who is a participant in the **scheme**, as specified in the documents establishing the **scheme** and the trust deed and **rules** as added to, replaced or amended from time to time, and who in relation to a **member** is their **employer**.

### External Fund

Means a **fund** managed by an **External Fund Manager** in which Aviva Life & Pensions UK Limited **funds** may invest.

### External Fund Manager

Means a company other than Aviva Life & Pensions UK Limited which manages an **External Fund**.

## FCA

The Financial Conduct Authority and any regulator that may replace its regulatory function from time to time.

## Funds

These are the **funds** available for **you** to invest **scheme** assets in. They are split into notional **units**.

## HMRC

HM Revenue & Customs.

## Income Drawdown

Means the method by which the **member** can draw directly from their notional account after they have **designated** some or all of their notional account as available for **Income Drawdown**.

## Investment instructions

Instructions to buy, sell or switch **units** or other investments. They must be given by **you** or the **member**:

- by direct input onto **the online account**; or
- by telephoning **us** on 0345 604 9915 for this purpose from time to time.

## Jobholder

Means:

- an **eligible jobholder**; or
- a person who meets the requirements of section 1(1) of the Pensions Act 2008 in relation to the **employer** and who has opted into membership of the **scheme** in accordance with the Pensions Act 2008.

## Member

A **member of your scheme** who has benefits under this **Account**.

## Memorandum of Understanding

Issued with this **Account** and setting out scheme charges and services included.

## Pension credit

Any payment transferred into the **member's** notional account from their former spouse or civil partner's pension as a result of a pension sharing order.

## Pension date

The **member's selected retirement date** or another date when the **member** starts taking pension benefits.

## Regular contributions

The regular payments made into the **Account**. **We** do not treat **single contributions** paid by cheque as **regular contributions**.

## Rules

The **rules** of the **scheme**.

## Scheme

The registered pension scheme named on the **Memorandum of Understanding we** issued with this **Account**.

## Selected retirement date

The date corresponding to the **member's** retirement age shown on the application form or as advised to **us** by **you**, the **employer** or the **member**.

## Single contribution

Any payments made into the **Account** other than **Transfer Values** which are not expected to recur on a regular basis.

## Transfer value

This is any payment transferred into the **Account** from another registered pension scheme, a qualifying recognised overseas scheme or from another investment within the **scheme** as allowed by the **rules**.

## Units

The **Account** is a unit-linked account. The **funds** are split up into notional **units**. Payments into the **Account** buy notional **units** in the **funds you** or the **member** have chosen. **We** describe this in section 4.3.2.

## Written instructions

These are instructions in writing sent to **us** by post to our **Administration Headquarters**, or where agreed in advance this shall include notification by email or online. Instructions, written or otherwise, must be in English.

## 1.4 The law which applies to your Account

The law which applies to **your Account** is the Law of England and Wales. Any reference to a particular Act (which shall be deemed to include a reference to regulations or orders made under the Act) or to a particular regulation or order or a part, includes where appropriate, any amendment, re-enactment or replacement thereof for the time being in force.

Anything **we** pay under this **Account** will be paid in pounds sterling.

Anything paid into this **Account** must be paid in pounds sterling.

## 1.5 Fairness of terms

- a) In making decisions and exercising discretions given to **us** under these terms and conditions, **we** will act reasonably and with proper regard to the need to treat **you** and **our** other customers fairly.
- b) These terms and conditions will only apply to the **Account** provided they are not held by a relevant court or viewed by the **FCA** or **us** to be unfair contract terms. If a term is unfair it will, as far as possible, still apply but without any part of it which causes it to be unfair.

## 1.6 Events or circumstances beyond our control

Under the terms of this **Account we** shall not be liable to pay **you** or any other person any compensation for loss due to an event or circumstance beyond **our** control.

This includes loss caused by any delay in performing **our** obligations due to restrictions imposed on **us** by law or regulation.

## 1.7 Changes to these terms and conditions

**We** may change these terms and conditions as described in section 12.5.

**We** will only make changes to the terms of the **Account** that **we** reasonably consider to be proportionate to the underlying reason for the change.

**We** will give **you** 30 days' written notice, or as much as it is practicable to give if **we** are unable to give 30 days' notice.

The proposed changes will take effect from the date stated in the written notification from **us** to **you**.

## 2 Contributions to your Account

Each **member** will have a notional account in his or her own name within the **Account**.

An **employer** must give **us** the information **we** need to decide how much of each contribution applies to each **member** and how much represents a **member's AVCs**.

Aviva Investment Solutions UK Limited handles the contributions under the **Account** and arranges their transfer to Aviva Life & Pensions UK Limited.

**We** will invest all contributions including **AVCs** in the relevant **member's** notional account.

If **we** receive any monies with no **written instructions** on where to invest, these monies will remain in a Client Money Bank Account, a non-interest bearing account. If no **written instructions** are received after 10 days, if **we** are able the monies will be returned to the payee. No interest is paid on any monies which are held unless **we** have otherwise agreed in advance and in writing to **you**.

If requested by **you**, **we** can place monies in a Trustees unallocated cash account with Aviva Life & Pensions UK Limited. This money is not held as client money in a Client Money Bank account. **We** will not place any restrictions on any payments into or out of the **Account**. **You** can ask **us** to pay amounts from this **Account** which **you** at **your** absolute discretion request **us** to pay.

### 2.1 How to make contributions

An **employer** can:

- make **regular contributions** at any time until the earlier of the day before the **member's** 75th birthday or the limit set out in section 2.3;
- change the amount of **regular contributions** at any time;
- make **single contributions** at any time;
- stop contributions at any time; and
- start making contributions again at any time;
- allow the **member** to pay in lump sums through payroll whenever they wish.

If an **employer** is making **regular contributions**, they must pay them by Direct Debit unless **we** have agreed another method of payment.

If an **employer** wants to make **single contributions**, they may make them by any method **we** have agreed in advance.

If a **member** wants to make a **single contribution**, they should make this via payroll. **We** will accept direct payment via a **member** bank transfer (our preferred method) or cheque and will invest the amount received. It is the **member's** responsibility to make the reclaim of any tax relief due from **HMRC**.

### 2.2 Transfer values

With **your** authority, the **Account** can accept **transfer values** at any time.

### 2.3 Cessation of contributions

No contribution, transfer payment or **pension credit** can be paid into the **member's** notional account after the **member** has taken all of their retirement benefits and closed their account (in accordance with section 10).

**We** will also stop accepting all contributions if:

The **member** has reached age 75; or

**We** have been notified of the **member's** death.

## 3 Charges

The charges **we** take are as follows:

- **we** make deductions from the **funds** before **we** work out the price of **units**. **We** describe this in section 4.3.3;
- **we** may take a percentage of **your** payments or the **member's** fund value to cover remuneration charges. If **we** do, this is shown on **your Memorandum of Understanding**;
- **we** take annual management charges from **your Account**. **We** describe this in section 4.7.

## 4 Funds and units

### 4.1 How we place units in the members' notional accounts

All money must be cleared **funds** before **you** can invest it.

Each time **we** receive **regular contributions**, **single contributions**, **transfer values** or **AVCs**, **we** will place **units** in the **members'** notional accounts as described in section 2.

If **you** have selected a default investment solution, **contributions** will be applied in accordance with that default investment solution unless a **member** has selected an alternative **fund** or **funds**. If a **member** has been automatically enrolled, the first **contribution** under the **Account** will be invested in the default investment solution chosen by **you**.

For the first **contribution** under the **Account** or for any **single contribution**, **pension credit** or **transfer value**, **we** will not purchase **units** in the **member's** notional account, or reserve any **unit** price, until **we** have all the information **we** need to meet contractual and legal requirements as well as the contribution, **pension credit** or **transfer value**. The price will only be known at the time that **we** fulfil the **investment instructions**.

We will place **units** in the **funds you** have chosen for the **member**. If **you** have given **us** authority to accept the **member's** choice of **funds**, we will place **units** in the **funds** the **member** chooses.

At any time, **we** may decide not to accept contributions or **transfer values** into a particular **fund**. We describe this in section 4.6.

Aviva Investment Solutions UK Limited will receive the investment instructions submitted in relation to the **Account** and will arrange their transmission as dealing instructions to Aviva Life & Pensions UK Limited.

## 4.2 How we work out the number of units to place in Accounts

We may take a percentage of the payments made into **your Account** as charges. If **we** do, the percentage of the payments **we** take as charges will be shown on **your Account schedule**.

We will divide the remaining amount of the payment by the price of the **units** in the **funds** that **you** or the **members** have chosen. The price **we** use will be the price of the **units** for the working day by which we have received both the payment and valid **investment instructions** relating to that payment, as well as any contractual or legal requirements and any requirements as described in section 4.1. That is subject to all these items being received ahead of the **daily dealing cut off point**. Otherwise we will use the price for the following working day.

We will round the number of **units** to the nearer 0.0001 part of a **unit**.

### 4.2.1 Conditional placing of units

With **our** agreement, you can make use of **our** arrangement for the conditional placing of **units**, in anticipation of expected **regular contributions** from an **employer**. Under the arrangement, the following additional terms and conditions apply:

- Subject to the condition below being satisfied, **we** conditionally place **units** under **your Account** each time an **employer** submits the contribution data for an anticipated **regular contribution**. The **regular contribution** is treated as being received and cleared for the purposes of sections 2, 3, 4.1 and 4.2.
- The condition is that the **regular contribution** is received from the employer as cleared funds in the **Client Money Account** within three days of the employer submitting the contribution data.
- Pending the condition being fulfilled, the value of the relevant conditionally placed **units** is excluded from (i) any benefit or transfer payments from the **Account** and (ii) switches between **funds**.
- If the condition isn't fulfilled, **we** take back the relevant conditional **units** under **your Account** and the allocation to members' notional accounts described in section 2 is reversed.
- **You** must inform **members** about the conditional nature of the **unit** placing and the impact on availability for switching and benefit payments and the possibility of reversal from **members'** notional accounts.

We can withdraw the arrangement for further contributions by giving **you** 30 days' notice.

In this section, "contribution data" means the payroll data that **we** require to identify and allocate contributions.

## 4.3 About the funds

### 4.3.1 What the funds are

Each **fund** can be identified by a separate pool of assets. Each **fund** is made up of:

- assets invested according to the aims and objectives of the **fund**; and
- interest and income from the invested assets and proceeds from the selling of those assets; and
- reduced by the cost of buying and selling assets and the charges described in section 4.3.3.

We may introduce new **funds** at any time.

We may restrict the number of **funds** a **member** can invest in or close **funds** in accordance with these terms and conditions.

### 4.3.2 Purpose of each fund

We have set up each **fund** so **we** can work out the benefits **we** will pay under **your Account** and other accounts. The assets in each **fund** are **our** property. Nothing contained in these terms and conditions will:

- mean that **you** or any other person has a legal right to or beneficial interest in any of the assets in any **fund**; or
- restrict in any other way how **we** own the assets in each **fund**.

The **units we** place in **your Account** are 'notional **units**'. This means **we** only use them to work out how much **we** will pay under **your Account**. In managing the **funds**, **we** may increase or reduce the number of **units** in a **fund**.

If **we** increase the number of **units**, **we** will add to the **fund** an amount equal in value to those **units**. If **we** reduce the number of **units**, **we** will take from the **fund** an amount equal in value to those **units**.

We will base these values on the price for the date **we** increase or reduce the number of the **units**.

### 4.3.3 Deductions from the funds

These may be taken from each **fund**:

- all costs and expenses **we** have to pay to buy, sell, maintain or value any assets;
- the amount of taxes and levies (other charges **we** have to pay by law) **we** reasonably decide are appropriate to the **fund**;
- the amount of money **we** reasonably believe **we** should set aside to pay any anticipated future taxes, fees or levies; and
- trustee fees and fees payable to the **FCA** from **funds** invested with an external manager.
- The Scheme AMC is taken by the deduction of **units** on a monthly basis but if they accrue more frequently and the **member** takes their benefits, dies or transfers the value of their notional account part way through a month, **we** may take **units** to cover the cost of those charges due for that month.
- **We** reserve the right to increase the charges or introduce a fee in the circumstances described in section 12.

## 4.4 How we value units in each fund

### 4.4.1 Setting the value of each fund

Acting reasonably **we** take the value of the **fund's** assets as follows:

- in the case of freehold or leasehold property, **we** use a valuation certified by an independent valuer appointed by **us** and **we** adjust it to take into account any variation since the valuation;
- in the case of unit trusts and Open Ended Investment Companies **we** use the latest available price, generally quoted daily by the manager;
- in the case of quoted securities, **we** base the value on the daily price quoted on a relevant stock exchange chosen by **us**;
- in the case of other assets, **we** use relevant factors **we** consider reasonably appropriate and fair to investors, based on available sources of information on prices of those assets.
- If **we** are generally increasing the number of **units** in a **fund**, **we** will base its value on the amount **we** would have to pay to acquire the assets, including any taxes, duties, expenses and other charges that would be payable.

If **we** are generally reducing the number of **units** in a **fund**, **we** will base its value on the amount **we** would obtain by selling the assets, reduced by any taxes, duties, expenses and other charges that would be payable.

If the number of **units** in a **fund** is generally neither increasing nor reducing, **we** may base its value on mid-market prices and without any allowance for the costs of acquiring or selling assets.

If the assets of a **fund** are temporarily suspended, not available for investment or a current price is not available, the most recently available price may be used in calculating the **unit** price for that **fund**, as described in section 4.4.2. Therefore, **we** may arrange an additional purchase or sale of **fund** assets at a higher or lower value than allowed for in **our** pricing. Any risk of a difference in price is borne by **you**.

### 4.4.2 Working out the price of the fund units

Each **unit** in a **fund** will have a **unit** price. This is the price at which **we** will place or take one **unit** under **your** **Account**.

**We** work out the **unit** price by:

- taking the value of the **fund** as described in section 4.4.1;
- taking the deductions **we** describe in section 4.3.3;
- dividing the resulting value by the total number of **units**; and
- rounding the result to the nearest 0.0001p. **We** will keep any gains or suffer any losses due to rounding **unit** prices.

## 4.5 Switching between funds

### 4.5.1 What your options are

**You** can tell **us** to switch the value of some or all of the **units** placed in a **member's** notional account in the **Account** into **units** in another available **fund** at any time.

**You** can instruct **us** to redirect future **regular contributions** for a **member** into a different available **fund** at any time after the first contribution paid into the **member's** notional account has been invested.

A **member** can switch and or redirect by completing the request online. **We** will also accept **written instructions** from **you** or a **member**, if **you** have given **us** the authority to accept a **member's** instructions.

Switch instructions must be received ahead of the **daily dealing cut off point** to be done the same working day.

### 4.5.2 When switching is restricted

There may be a delay in switching **units** as described in section 12.6.

**We** do not currently make a charge for carrying out switches. However, **we** reserve the right to:

- refuse or delay requests for the switching of **units**, or
- limit the number of switches of **units**, or
- impose charges for switching of **units**

where **we** have reasonable grounds to suspect that such switching arises from **you** or the **member** engaging in:

- activities aiming to take unfair advantage of market timing opportunities; or
- a pattern of short-term or excessive switching; or
- switching patterns likely, in **our** reasonable opinion, to be disruptive to the **unit** pricing of the affected **funds**.

In exercising **our** discretion, **we** will take into account **your** or the **member's** switching history in a particular **fund** or across all **funds** and aggregate value of holdings of **units** in **funds** and/or whether the **member** is also a trustee of the **Account**.

**We** will give at least 30 days' notice if this changes or if a charge is introduced and later increases.

### 4.5.3 Telling us to switch units already in a member's notional account

**You** can only switch a whole percentage of **units** held in a **member's** notional account into another available **fund**.

**We** will normally base the value of the switched **units** on the price of the **units** for the working day **we** receive **your** or the **member's** **written instructions** providing these are received ahead of the **daily dealing cut off point**. Otherwise **we** will use the price for the following working day. If **we** receive **written instructions** on a non-working day i.e. weekends or bank holidays **we** will process the request on the next working day.

If the trading day's price is not yet available when **investment instructions** are received, **we** will sell and buy **fund** assets using the price of the **units** for the previous working day. This may result in an additional sale or purchase of **fund** assets on the following working day, which would expose the **funds** to an out of market exposure risk on these additional trades and would result in a change in the **unit** price.

Any changes will be effected in accordance with 12.3.

#### 4.5.4 Telling us to redirect future regular contributions into another available fund

You can only pay a whole percentage of each **member's** future **regular contribution** to each **fund**.

We do not currently make a charge if **you** decide (or the **member** decides as described in section 4.6.1) to redirect future **regular contributions**. We will tell **you** if this changes. Any changes will be effected in accordance with 12.3.

We will carry out the redirection when **we** receive the next contribution after **we** receive **your** instructions, or the **member's** **written instructions**, as described in section 4.6.1.

#### 4.5.5 Trade Confirmations

Individual trade confirmations may not be issued to members. Instead they will always be able to view them within their annual statement which will be held in their document library on their online account or issued to them.

### 4.6 Fund changes

#### 4.6.1 What happens if we withdraw, convert, close, merge or sub-divide a fund

We reserve the right at any time to close or withdraw any **fund(s)** provided **we** believe it is reasonable to do so and it is for one of the following reasons:

- the **fund** becomes too small or too large to be managed effectively;
- assets to match the **fund's** aims or strategy are not available (including but not limited to where the **fund** is linked to an **external fund** the closure of that **external fund**);
- the costs of managing the **fund** becomes prohibitively expensive (including but not limited to the charges imposed by an **external fund manager**);
- there are significant changes outside of **our** control (for example in financial markets or the economy) or there are legislative or regulatory changes which mean that the **fund** is no longer able to operate in accordance with its stated aims;
- the **fund** has underperformed over a significant time period;
- where the **fund** is linked to an **external fund** we have reasonable doubts as to the governance of that **external fund** including treating customers fairly considerations;
- an aspect of the **fund** changes which means it no longer meets legislative or regulatory requirements;
- there is a change of **your** ownership or corporate structure where this has a material adverse effect;
- the fund manager makes a change that does not meet **our** internal governance requirements.

We may stop accepting future **contributions** or **transfer values** into a **fund** at any time for any of the reasons set out in this section. If this happens, **you** can choose another available **fund** without charge. If **you** do not tell **us** which other **fund** **you** prefer, **we** will use the **current** default fund for the **scheme**, or a **fund** of **our** choosing based on risk and investment objectives where no default exists.

We will give **you** 30 days written notice before **we** withdraw or close a **fund**, or as much as it is practicable to give if **we** are unable to give that much notice. This is unless **we** reasonably consider that it is in

**your** best interest to move out of the **fund** in a shorter time or because **we** are given insufficient notice by the fund manager.

We will use **our** reasonable endeavours to give **you** as much notice as possible before **we** merge or sub-divide a **fund** but the amount of notice **we** give **you** will depend upon how much notice **we** have been given of the change.

We will send the notice to **you** by email to the last email address **we** have on **our** records or by post to the last postal address **we** have on **our** records.

If by the date a **fund** is withdrawn, converted, merged, sub-divided or closed to new contributions **you** have not notified **us** how the monies and/or new contributions that were previously invested in the **fund** that is being closed, withdrawn, converted, merged, sub-divided and/or closed to new contributions should be invested, the monies previously invested in that **fund** and/or new contributions will be allocated by **us** to the **current** default fund for the **scheme**, or a **fund** of **our** choosing based on risk and investment objectives where no default exists.

#### 4.6.2 What happens if you make changes to the funds available to members of your scheme

**You** may also notify **us** from time to time that a **fund** should no longer be available under the **Account** if **you** no longer consider it a suitable **fund** for the **scheme**, having regard to **your** investment duties under the Pensions Act 1995 or otherwise.

In this event, **we** will not switch current investments or redirect future contributions for any **member** who invests in a **fund** that is to be no longer available unless and until **we** are advised to do so by **you**. **We** will assume that **you** have taken all steps **you** feel are necessary to communicate to **members** the non availability of a **fund** prior to making any changes to the **members'** notional accounts.

We will also use **our** reasonable endeavours to add any **funds** where **you** consider that this is necessary having regard to **your** investment duties under the Pensions Act 1995 or otherwise.

However, **we** are under no obligation to add a **fund**.

### 4.7 How we take annual management charges

Every month **we** will take **units** from each **fund** in the **members'** notional accounts to cover the cost of annual management charges.

We will take the number of **units** which equal the value of those charges using the **unit** price for that day.

If the **member** takes benefits, dies or **you** transfer the value of a **member's** notional accounts part way through a month, **we** may take **units** to cover the cost of management charges due for that month.

We may change the interval at which **we** take charges.

We will not increase the level of annual management charges unless there are changed circumstances, as described in section 12.2.

### 4.8 Reinsured Funds

Included within the range of **funds** available to the **Account** are certain **funds** operated by other life insurance companies. **We** invest in these **funds** through a reinsurance policy with the other insurance company. The value of a **fund** where it is operated by another insurance company will depend on the value of the assets held by the insurance company in respect of that **fund**. In the unlikely event that the other insurance company failed to meet its obligations in relation to the fund, the value of the **Account** would be reduced to reflect that failure.

## 4.9 Investment programmes

Investment programmes may be available to the **Account**. They manage some or all of the **member's** investments in **funds**.

They may apply throughout the term of the **member's** notional account or only during a certain number of years prior to the **member's pension date**.

In this section, when references are made to investment selection, instructions may be given by **you** or the **member**, as detailed in section 4.6.1.

When an investment programme applies to the **member's** notional account **we** will switch the **member's** investments in **funds** and apply any ongoing contributions in accordance with that investment programme. **We** do not make a charge for carrying out these switches. Usual **Account** and **fund** charges apply to investments managed by investment programmes.

The Investment Programme End Date will match the **member's selected retirement date** unless **you** or the **member** tell **us** otherwise. If **you** or the **member** change the Investment Programme End Date, this may result in the **member's** existing **fund** holdings being switched and change where any future contributions are invested. **You** or the **member** may choose a different Investment Programme End Date at any time but it cannot be later than the **selected retirement date**.

If the **member** is automatically enrolled into, or joins an **automatic enrolment** scheme, **you** can change the investment programme once the first contribution has been invested. Otherwise **you** can choose an investment programme when the **member** joins the **Account**. After that, **you** can choose or de-select an investment programme at any time.

If **you** de-select an investment programme **you** may need to give **us** alternative **investment instructions**, **we** will notify **you** if this is the case.

**We** will accept the **member's written instruction** to change an investment programme where **you** have provided **us** with **your** authority to do so.

Where an investment programme does not apply throughout the term of the **member's** notional account, but starts a number of years before the **member's pension date**:

- the investment programme will overlay the investment choice for the **member's** notional account;
- where the investment choice for the **member's** notional account includes a **fund** within the investment programme, their total holding in that **fund** will be used to calculate the movements of money into and within the investment programme.

Where an investment programme is managed by **us**, **we** reserve the right at all times acting reasonably to amend that investment programme from time to time. Where an investment programme is managed by **you**, **you** are able to amend the investment programme. This may mean a change to the;

- **funds** within the investment programme
- mix of **funds** within the investment programme
- length of the investment programme
- name of the investment programme

- risk profile of the investment programme
- charges that apply in the investment programme.

As set out above, some of these changes may mean that the charges and/or risk ratings change, and either go up or down to reflect the charges and/or risk ratings of the new **funds** and their relative proportions.

**We** reserve the right to make such changes to investment programmes managed by **us** (**our** investment programme) as are reasonably required, in order to reflect:

- changes in applicable pensions, tax or other law, legislation, regulation or industry codes of practice which affect **our** investment programme;
- changes in how the London Stock Exchange or other relevant investment or regulated markets may work which may impact on the operation of **our** investment programme;
- changes in investment/share dealing administration or other infrastructure facilities, systems or means of communication which impact on the provision and operation of **our** investment programme;
- changes to services relating to **our** investment programme supplied to **us** by third parties which are outside of **our** control or which require additional expenditure by **us**;
- changes in circumstances or the happening of any event which means that **our** investment programme operates in a way which is unfair to **you** or **our** other accountholders;
- changes resulting from the introduction of new systems, services, and changes in technology;
- changes in circumstances or the happening of any event which makes it impossible, impracticable or economically unviable for **us** not to make a change to the investment programme, provided that any such change is not unfair to **you** or **our** other accountholders;
- changes required to remedy obvious errors;
- changes required for appropriate governance to implement legislation or regulatory changes or best practice.

If any or all of the above changes happen, **we** will make information available about the change; however, **we** will not write to **you** or the **member** before any or all changes or ask **you** or their permission to make any or all of the changes.

After **we** make any or all of the above changes to the investment programme, **we** will write to **you** to inform **you** of the changes.

In exceptional circumstances **we** may have to make an alteration to the **member's** notional account to remedy errors. If **we** do, **we** may use the current version of the investment programme.

## 5 The member's pension benefits

The **member's** pension benefits depend on:

- the value of their notional account which is described in section 5.2; and
- the **rules**.

We will only pay benefits from the **Account** which are allowed under the **rules**.

We will only pay benefits which are covered under the **Account**.

The **member** may be able to take their pension benefits in stages. This depends on the **rules** and any minimum **Account** value that **we** may impose.

The **member** does not need to cease employment before they take their benefits, subject to the **rules**. If the **member** takes their benefits anytime before their 75th birthday and remains in employment, and the **employer** is required to pay contributions to comply with **automatic enrolment regulations**, **we** may set up a new notional account under the **Account** to accept these contributions.

## 5.1 Providing the member's benefits as an annuity.

You can buy the **member's** annuity from **us** or from another provider under the open market option.

If **you** buy the annuity from **us** there may be a minimum amount of pension **we** will pay.

If **you** want to buy the **member's** annuity from another provider, **we** will pay the **member's** tax-free lump sum, if any, first. **We** will then pay the remaining value of their notional account direct to the other provider.

**We** will only pay benefits to an **authorised pension provider** and where the payment is allowed by the **rules**.

### 5.1.1 Providing the members benefits in other forms

Where the **scheme** rules permit **members** can choose to take benefits in other forms. For example via **Income Drawdown**. **We** will provide full details of the options to **members** upon request or as they approach their **selected retirement date**.

## 5.2 How we value the member's notional account

### 5.2.1 If the member takes their pension benefits on their selected retirement date

The value of the **member's** notional account is the number of **units** held in the **Account** multiplied by the **unit** prices on their **selected retirement date**.

**We** will use a different **unit** price if **we** have not received **written instructions** before the **member's selected retirement date**. This will be the **unit** price for the working day after **we** receive **written instructions** at our **Administration Headquarters** provided that the investments are traded on that day.

### 5.2.2 If the member takes their pension benefits before or after their selected retirement date

The value of their notional account is the number of **units** multiplied by the **unit** prices for the working day after **we** receive **written instructions** at our **Administration Headquarters**.

## 5.3 Refunds of contributions

**We** may refund the value of the **member's** notional account in accordance with the **rules**.

If the refund relates to an opt out from **automatic enrolment**, in which case an amount equal to the **regular contributions** received by **us** will be paid to the **employer**.

The total value of the **member's** notional account is the number of **units** multiplied by the **unit** price for the working day **we** receive **written instructions** and the last of any documents **we** need to make the refund.

## 5.4 Income Drawdown (also known as flexi-access drawdown)

5.4.1 The **member** can **designate** some or all of their notional account as available for **Income Drawdown**, subject to scheme rules. **We** will set up an **Income Drawdown** sub-account within the **member's** notional account. There is no minimum amount that has to be **designated** as available for **Income Drawdown**.

There is no investment programme that applies to the **member's** notional **Income Drawdown** sub-account.

5.4.2 Income can be taken from the **member's** notional **Income Drawdown** sub-account on an ad hoc basis and/or regular income on a monthly, quarterly, half-yearly or yearly basis. There are no limits on the amount of income that the **member** can withdraw (subject to the necessary value of investments being available in the **member's** notional **Income Drawdown** sub-account).

5.4.3 Disinvestment strategy – in the absence of any specific instructions from the **member**, **we** will withdraw/disinvest proportionally from any funds held in the Select fund range and if applicable any available cash. For the purpose of automatic disinvestment, these are known as eligible assets. Should their investment in any eligible asset be less than 2% of the total of all eligible assets, it will be excluded from the automatic disinvestment strategy.

Alternatively, the **member** can specify from which investments they wish to take their income, by giving us at least 15 working days' notice in the format **we** specify. In the event that the **member's** disinvestment strategy means that **we** cannot pay the member the level of income that they have specified, **we** will disinvest proportionally (as described above), where possible.

The **member** can provide alternative disinvestment instructions at any time, which will be applied subject to them giving us at least 15 working days' notice in the format **we** reasonably specify.

5.4.4 Following receipt of completed **written instructions**, should **we** need to sell the **member's** investments to realise cash to provide for a tax-free lump sum or an ad hoc payment, the sale will be transacted either:

- Five working days' before the **member's selected retirement date**, if the **member** has requested to take benefits on this date and all of our requirements are received at least five working days' before their **selected retirement date**;

Or

- If a date other than the **member's selected retirement date**, on the working day following receipt of their **written instructions**.

For regular income payments, should **we** need to sell their investments to provide the payments, the sale would take place on their notional **Income Drawdown** sub-account 10 working days' before the payment's due date.

5.4.5 If the **member** chooses to take full **Income Drawdown** (full crystallisation) and wants to disinvest the 'maximum' available tax-free lump sum rather than a specific monetary amount, **we** may disinvest an additional reasonable 'tolerance' amount (e.g. 10%) to allow for any market movement. This will ensure a sufficient amount is available to make payment.

Any difference between the sale value received by us and the payment will be moved to their notional **Income Drawdown** sub-account and will be reinvested proportionally into the same fund(s) from those sold. Unit price(s) may have changed between the sell and buy dates. **We** will not be responsible for any losses incurred as a result of a change in unit price(s).

5.4.6 Charges:

If the **member** is using **Income Drawdown**, charges will continue to be applied to their notional account in accordance with the terms and Conditions.

5.4.7 **We** require at least 10 working days' notice if the member wishes to stop taking regular income payments.

## 5.5 Uncrystallised Fund Pension Lump Sum

The member can take some or all of their notional account as a lump sum upon request, subject to scheme rules. There is no minimum amount that the member can take as a lump sum.

## 5.6 Taking pension benefits

**HMRC** rules do not impose any upper limit on the age at which a member can begin to take their retirement benefits.

Subject to scheme rules, under their notional account however, the upper limit is 99. By the day before the member's 99th birthday we must have received all completed documents to enable the payment of their retirement benefits.

## 6 What happens when a member dies before retiring?

The benefits **we** can pay when a **member** dies before they have received pension benefits from their notional account depends on:

- the value of their notional account which **we** describe in section 6.1; and
- the **rules**.

If **you** decide to pay a pension to the **member's** spouse, civil partner or dependant, **you** can buy this pension from **us** or another provider.

If **you** buy the pension from **us**, there may be a minimum amount of pension **we** will pay.

**We** will only pay benefits to an **authorised pension provider** and where payment is allowed by the **rules**.

**We** will pay the value of the notional account directly to the other provider.

## 6.1 How we value the member's notional account

The value of the **member's** notional account is the number of **units** in their notional account multiplied by the **unit** price for the working day **we** receive our last requirements set out in section 6.2. at our **Administration Headquarters**.

## 6.2 What we need to support a claim for death benefits

**We** will pay the death benefits as instructed by **you** upon receipt of a written request, or copy of the death certificate if requested, from **you** to do so.

Subject to an alternative agreement, if **we** are notified of the **member's** death, **we** will leave the **member's** fund invested in their notional account in accordance with the investment instructions held. This means that the value of their notional account will continue to fluctuate until disinvestment instructions are received from **you**.

## 7 What happens when a member dies after retiring?

If the **member** dies after starting their pension, what can be paid depends on how the pension benefits are taken.

## 8 Surplus funds

When a **member** retires or dies, **we** will only pay benefits from the **Account** which are allowed under the **rules**.

**We** will refund to **you** any amount which cannot stay invested in the **member's** notional account to provide future benefits under the **rules**.

If **we** make a refund, **we** will take the number of **units** from the **member's** notional account which equal the value of the refund using **unit** prices for that day.

## 9 What happens if we pay pension benefits or death benefits late?

If the **member** is taking their pension benefits and **we** pay the benefits after the **pension date**, or **we** pay the death benefits later than the day after **we** receive our last requirement at our **Administration Headquarters** then the following will apply.

- If the **member** is retiring, any interest **we** pay will be from the date **we** sell the units in **your Account**, to the date **we** pay the benefits.
- If the **member** dies, any interest **we** pay will be from the date **we** sell the units in **your account**, to the date **we** pay the death benefits.
- The amount of interest will depend on the applicable interest rates at that time.

**We** will not pay interest if it is below **our** minimum level.

**We** will not pay interest for any period of delay as described in section 12.6 but in such circumstances **we** will value the **units** using the **unit** prices which apply immediately after the end of any period of delay.

## 10 Transferring the value of a member's notional account to another scheme

### 10.1 About transferring

**You** can transfer the value of a **member's** notional account to another registered pension scheme or a qualifying recognised overseas pension scheme, as allowed by the **rules**. Once **we** have made the payment to the other scheme the members account will be closed unless they have requested otherwise.

### 10.2 How we work out the value of the member's notional account

**We** multiply the number of **units** in the **member's** notional account by the **unit** price for the working day **we** receive, at our **Administration Headquarters**, the last of the documents and information **we** need to transfer the **Account**.

## 11 What happens if the scheme is not registered with HMRC?

**We** will not accept any contributions or **transfer values** until **your scheme** is registered with **HMRC**.

**We** will not accept any further contributions or **transfer values** if:

- **HMRC** refuses to register **your scheme**; or
- **HMRC** withdraws registration.

**We** will have the right:

- to pay the proceeds of the **Account** to **you**; and
- to take any tax from the proceeds of the **Account** which **we** may have to pay as a result of **HMRC** refusing to register the **scheme** or withdrawing registration. This is described in section 14.

### 11.1 How we will work out the proceeds of the Account

**We** will work out the proceeds of the **Account** by multiplying the number of **units** in the **Account** by the **unit** prices for the day **we** make the refund.

## 12 Changed circumstances

### 12.1 Change of investments

**We** reserve the right to withdraw the default investment solution in respect of past and/or future **contributions**, and to nominate a new default investment solution, at all times acting reasonably and subject to section 4.6.1. **We** will endeavour to give **you** at least 30 days' **written notice** of any change to the default investment solution (outside of any investment programme changes as per section 4.9) applicable to **you** where it is possible to do so.

### 12.2 Increasing the annual management charge or the percentage of the contribution we take as charges

**We** reserve the right to increase or decrease the annual management charges referred to in section 4.7 in respect of all or any of the **funds** held in a **member's** notional account. The circumstances that could lead to an increase in the annual management charges are an increase of the percentage of the **funds** required to cover the costs and expenses of the **funds** and the **Account** and increases in costs and expenses resulting from future changes. These costs and expenses are in addition to those explained in section 12.3 of this **Account** and will be deducted as detailed in section 4.3.3.

Future changes in costs and expenses could result from:

- a change in the tax rules, legislation or regulation or the way such rules are interpreted or applied in practice; or
- increases in **our** staff or overhead costs; or
- increases in the costs of administration; or
- increases in the costs of fund managers.

The increase in the annual management charges would reflect such increase in costs and expenses or the fact that they represent a higher percentage of the value of a **fund**. If this happens, **we** would write to tell **you**, and any **members** affected, of the change.

**We** may also increase the percentage of the payment **we** take as charges referred to in section 4.2 for future contributions or **transfer values** for any of the reasons stated above.

If **we** need to make any other changes under the **Account** then such changes will be carried out in accordance with section 12.5.

By reserving the right to make increases to the annual management charges **we** are also able to maintain the capital **we** are required to keep by the Prudential Regulatory Authority and any regulator that may replace its regulatory function from time to time, at a level which would avoid having to apply generally higher charges to the **Account**.

### 12.3 Other charges

Any charges, including **fund** expenses reasonably incurred by the fund manager, that are payable in addition to the annual management charges, will be made available by **us** to **you**.

**We** reserve the right to make changes to or apply new charges at any time. There are a number of circumstances that could lead to a change in charges or the application of new charges. These are a change in costs or expenses as a result of a change in the tax rules, legislation or regulation or the way such rules are interpreted or applied in practice or if **our** staff or overhead costs increase, or there are increases in the costs of fund managers. The change in charges would be reasonable and proportionate to such change in costs and expenses. If this happens **we** would write to **you** and to all **members** who are affected to tell them of the change.

## 12.4 Notification of changes to charges

We will write to **you** three months before **we** increase **our** annual management charge.

We will write to **you** six months before **we** increase the percentage of the contribution **we** take as charges.

We will send the notice to **you** by email to the last email address **we** have on **our** records or by post to the last postal address **we** have on **our** records. The change will take place from the date **we** tell **you**. During the notice period:

- **employers** can stop making contributions, without paying any extra charges, as described in section 2.1, or
- **you** can transfer the value of the **member's** notional account to another provider, as described in section 10.

We don't take charges for transferring the value of **member's** notional account to another provider unless **we** have sent **you** an endorsement showing **we** do.

## 12.5 When we may make changes to the Account

We reserve the right from time to time by giving **you** 30 days' notice to make such changes or additions to the **Account** as are reasonably required to reflect:

- changes in applicable pensions, tax or other law, legislation, regulation or industry codes of practice which affect **your Account**;
- changes in how the London Stock Exchange or other relevant investment or regulated markets may work which may impact on the operation of the **Account**;
- changes in investment/share dealing administration or other infrastructure facilities, systems or means of communication which impact on the provision and operation of the **Account** which are outside **our** control or which require additional expenditure by **us**;
- changes to services relating to the **Account** supplied to **us** by third parties which are outside of **our** control;
- changes in circumstances or the happening of any event which is outside of **our** control which means that the provisions of the **Account** operate in a way which is unfair to **you** or **our** other accountholders;
- changes resulting from the introduction of new systems, services and changes in technology outside of **our** control;
- changes required to remedy obvious errors;
- changes in circumstances or the happening of any event which is outside of **our** control and which makes it impossible, impracticable or economically unviable for **us** not to make a change to the **Account**, provided that any such a change is not unfair to **you** or **our** other accountholders.

Where for reasons that are outside **our** control **we** are unable to give **you** three months' notice, **we** will give **you** as much notice as is reasonably practicable.

12.5.1 **We** reserve the right from time to time to make changes or additions to the provisions of the **Account** for any administrative or other reason which may, or may not, have a detrimental effect upon **you** and which are not set out in

section 12.5 above. If **you** suffer a detriment as a result of a change or addition under this section 12.5.1, **you** may notify **us** and **you** will be free to transfer the **Account** to another registered pension scheme.

**We** will send the notice to **you** by email to the last email address **we** have on **our** records or by post to the last postal address **we** have on **our** records.

The change will take place from the date **we** tell **you**.

## 12.6 Changed circumstances affecting transfer payments, refunds, pension benefits and switching

### 12.6.1 When we will delay paying a transfer, or refund, switching, or paying pension benefits

**We** may temporarily suspend or delay carrying out a request to pay a transfer or a refund or to switch **units** or redirect future contributions or to pay the **member's** pension benefits where this is due to statutory requirements or is caused by other events beyond **our** control, for such periods as may be reasonably required.

**We** may also decide it is appropriate to take this action in the following circumstances:

- a) during any time when any of the main stock exchanges or markets are closed or when dealings are restricted or suspended;
- b) if anything happens which would mean that selling or valuing assets of a **fund** would be impractical or impossible without a significant reduction in price, for example where the **fund** invests in property;
- c) during any breakdown in any systems of communication (including any computer system) that is normally used in working out the price or the value of any assets or in deciding prices or values of any stock exchange or market;
- d) during any time the fund manager cannot release **funds** to make payments on the redemption of such **units**;
- e) during any time when any transfer of **funds** involved in the realisation of or purchase of assets or payment due on the redemption of **units** cannot in **our**, or the fund manager's reasonable opinion be effected at normal rates of exchange;
- f) there has been a material change in the value of a large proportion of the assets of the **fund** in question;
- g) if, **we** or the fund manager reasonably believe that due to circumstances outside of **our** or the fund manager's control continued dealing in **units** may not be fair to potentially affected **members**.

**We** will tell **you** that there will be a delay before **we** carry out the request. **We** will not delay paying benefits when the **member** dies or takes their pension benefits at their **selected retirement date**.

**We** may stop all dealings in **units** for a temporary period for any of the reasons set out in section 12.4.

**We** will only do this for as long as it is impractical to allow dealings and generally fair to accountholders whose accounts are invested in the **fund**. If **you** have **units** in a **fund** which is invested in property, the delay will be for up to six months. Otherwise, it will be for up to one month.

**We** may extend these periods:

- to match any period of delay, postponement or suspension imposed by the managers of a collective investment **scheme** or other entity in which the **fund** has holdings; or
- for as long as any such **scheme** or entity is in the process of being wound up; or
- where due to exceptional circumstances **we** reasonably consider that it is in the interests of accountholders whose accounts are invested in the **fund** to do so.

**We** will value the **funds** using the **unit** prices which apply immediately after the end of the period of delay.

## 13 What happens if the scheme is wound up?

**We** will not accept any further contributions or **transfer values** if the **scheme** is wound up as described in the **rules**.

The value of each **member's** notional account will be used to provide benefits according to the **rules**. **We** will not pay any benefits under the **rules** which have not been secured under the **Account**.

## 14 Tax

**We** are granting this **Account** on the condition that the business referable to this **Account** is treated as pension business (as defined in Section 58 of the Finance Act 2012).

**You** agree to use all reasonable endeavours to ensure that the **scheme** is and remains a registered pension scheme.

**You** agree to notify **us** if the **scheme** ceases to be a registered pension scheme.

If the **scheme** ceases to be a registered pension scheme or this **Account** ceases to fall within the definition of pensions business **we** have the right to terminate the **Account** with immediate effect.

If as a result of the **scheme** not being a registered pension scheme, ceasing to be a registered pension scheme or the **Account** ceasing to fall within the definition of pension business, **we** become liable for any tax, charge, cost or expense (except where such liability has arisen as a result of any act or omission by **us**) **you** will discharge that liability. If **you** do not discharge that liability **we** may cancel **units** under this **Account** equivalent in value (at the prevailing **unit** price applicable to those **units** at the time of such cancellation) to the amount of that liability. **We** will cancel **units** proportionately across such **members'** notional accounts as **we** reasonably believe is appropriate. **We** will also be entitled to recover any other amount for which **we** become liable, or the present value of any amount of tax liability, by way of taxation in relation to this **Account** or investments held under this **Account**. If **you** do not discharge that liability the recovery may be made by the deduction from any benefits payable under this **Account**. **We** will use reasonable endeavours to mitigate any such liability.

Payments from this **Account** will be subject to any tax deductions required by **HMRC**. The **scheme** administrator described in the **rules** will be accountable to **HMRC** for any tax that is due to be deducted

## 15 Conflicts of interest

Our conflicts of interest policy details any potential conflicts which may arise between us and our customers, and between individual customers. An example of a conflict would be where **we** have a financial incentive to favour one customer over the interest of other customers. The risk of detrimental conflicts of interest are extremely low. However, should they arise, our policy requires any such conflict to be immediately disclosed and all necessary steps taken to minimise such risks. Further details of our conflicts of interest policy are available on request.

## | Retirement | Investments | Insurance | Health |

### **Aviva Life & Pensions UK Limited.**

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