Terms and conditions of the **New Generation Personal Pension**

Reference U450 NG08160 04/2021

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.

AVIVA

Retirement
Investments
Insurance
Health

Contents

1 Introduction

1.1 About this document

This document describes the terms and conditions that apply to your **plan** with us.

This **plan** is a contract between you and us. Please read it and your **membership certificate** and any endorsements (notices of changes to the **plan**) carefully and keep them in a safe place.

Please also keep:

- the illustration made available to you when you started the **plan**; and
- any information we give you about charges we take for your **Personal Managed Portfolio**.

Nothing in this **plan** gives any direct contractual rights to anyone else including your husband, wife, civil partner or **dependant** (other than where shown in these terms and conditions).

We have issued your **plan** under the Aviva (No.4) Personal Pension Plan FPP. The terms and conditions described in this document depend on the **rules** of the **scheme** which we may change. If there is a difference between any terms described in this document and the **rules**, it is the **rules** which apply.

1.2 What is meant by 'you', 'us' and 'we'

You

The person named as the 'member' on your **membership certificate** and to whom we issued the **plan**.

Us and we

Aviva Life & Pensions 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, your **membership certificate** and any endorsements.

If we use any of these expressions, we use **bold** to remind you that you can look up their meanings here.

Accumulation Pot

Means the remaining part of **your plan** that has not been **designated** for **Income Drawdown** and where **you** can continue to make future contributions.

Administration headquarters

Our **administration headquarters** is at:

PO Box 1550
Salisbury
SP1 2TW

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

Automatic enrolment

Means the process by which an employer enrols **jobholders** and **entitled workers** 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.

Default investment solution

Means the investment **fund** or **funds** into which contributions are invested until, or unless you make an alternative investment choice. The **default investment solution** is specified in your membership pack, or as subsequently notified by us to you.

Dependant

This means a person who is financially dependent on you, or dependent on you because of physical or mental impairment at the time of your death. It includes your husband, wife or registered civil partner, and anyone else permitted by the **rules**.

Designate/Designated

Means methods by which **you** make some or all of **your plan** 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.

Entitled worker

Means a person who meets the requirements of section 9(1) of the Pensions Act 2008 in relation to the employer and who has opted into membership of the **scheme** in accordance with section 9(2) of the Pensions Act 2008.

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 in that are split into notional **units**. We describe this in section 4.3.1. They do not include the **Personal Managed Portfolio**.

HMRC

HM Revenue & Customs.

Income Drawdown

Means the method by which **you** can flexibly draw income from **your plan** after you've **designated** some or all of **your plan** as available for **Income Drawdown**.

Income Drawdown Pot

Means that part of the **plan** that has been **designated** as **Income Drawdown**.

Investment Pathway Funds

are investment funds aligned to an **Income Drawdown** objective (investment pathway option).

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 employer's pension **scheme** in accordance with section 7 of the Pensions Act 2008.

Key Features document

The document we gave you which provides information about the **plan**.

Lump Sum means the method by which **you** can take a cash lump sum (also known as an Uncrystallised Funds Pension Lump Sum) from **your accumulation pot.**

Membership certificate

The document that makes these general terms personal to you. It gives details of how we have set up your **plan** including, for example, the start date, your **selected retirement date** and contributions into your **plan**.

If any of the information contained on your **membership certificate** changes, we may send you another one or an endorsement recording the new details. These will then form part of your **plan**.

Pension date

Your **selected retirement date** or another date when you start to take your pension benefits.

Personal Managed Portfolio

The part of your **plan** that is invested in assets chosen by you, including stocks and shares, government and corporate bonds and collective investments. It is described in section 11. You can ignore any reference to this throughout this document if you don't have a **Personal Managed Portfolio**.

Plan

The **plan** which these conditions, your **membership certificate** and any endorsements relate to.

Regular contributions

The regular payments you and your employer, if any, have chosen to make into your **plan**, as shown on your **membership certificate**. The basic rate income tax relief we can claim on your regular payments will also count as part of your **regular contributions**.

When you are enrolled into the pension **scheme**, your employer or Aviva, on your employer's behalf, will let you know if your **regular contributions** or your employer's **regular contributions** will increase automatically.

We do not treat **single contributions** as **regular contributions**.

Rules

The **rules** of the Aviva (No. 4) Personal Pension Scheme FPP which we may change. Please ask us if you want a copy.

Scheme

The Aviva (No. 4) Personal Pension Scheme FPP.

Selected retirement date

The date you have chosen to be the date you take your pension benefits. It is shown on your **membership certificate**.

Single contribution

Any payment made into your **plan** by cheque, unless we have agreed another method of payment. The basic rate income tax relief we may claim on your payment will also count as part of your **single contribution**.

Transfer value

This is any payment, apart from pension credits, you have transferred into your **plan** from a previous scheme.

Units

The **funds** are split up into notional **units**. Payments into your **plan** buy notional **units** in the **funds** you have chosen. We describe this in section 4.3.2.

Withdrawal of a fund

When a **fund** is withdrawn it is no longer available for new investment.

Written instructions

These are instructions sent to us by post to our **administration headquarters**. They must be in English and in writing.

Written notification

These are notices sent 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.

1.4 The law which applies to your plan

We and you have a free choice about the law that can apply to a contract. We propose to choose the law of England and Wales and by entering into this contract you agree that the law of England and Wales applies.

1.5 Eligibility

You must be resident in the UK and currently have the intention to remain resident in the UK for the duration of the plan. The UK does not include the Channel Islands, the Isle of Man or Gibraltar.

You must tell us as soon as possible, if you move outside the UK and your main residence is in another territory or if you start working overseas on secondment from your employer. Laws in the territory you become resident or are on secondment in may affect your ability to continue to benefit fully from the features of your plan. We may need to change, reduce or remove any of your plan terms and may affect how much and the period over which you can pay into your plan. We'll give you details once you've told us. You should seek your own independent advice to consider your options after you move to another territory.

Not withstanding any provisions of this plan, we will not be obliged to exercise or comply with any of our rights and/or obligations under this plan if to do so would cause (or may be reasonably likely to cause) us to breach any law or regulation in anany territory.

1.6 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 your **plan** 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.

1.7 Events or circumstances beyond our control

Under this **plan** 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 upon us by law or regulation.

1.8 General

Anything we pay under this **plan** will be paid in pounds sterling. Anything paid into this **plan** must be paid in pounds sterling.

2 Contributions to your plan

2.1 How to make contributions

You and your employer, if any, can:

- make **regular contributions** at any time;
- change the amount of **regular contributions** at any time;
- make **single contributions** at any time;
- stop contributions at any time.

You can restart your contributions at any time.

If this **plan** forms part of an employer's pension scheme which has been arranged to comply with **automatic enrolment regulations**, the following requirements must be met whilst you remain a **jobholder** for whom your employer is required to provide active membership:

- total contributions must be at least the minimum level required under the **automatic enrolment regulations**;
- the level of contributions paid by your employer must be at least the minimum level required under the **automatic enrolment regulations**; and
- where a shortfall occurs between these amounts whilst you remain an active member of this **scheme** you must pay contributions which, however calculated, are equal to or more than the shortfall.

We don't take extra charges if contributions stop or restart, unless we have sent you an endorsement to your **plan** showing that we do or your illustration shows that we do.

If you and your employer are making **regular contributions**, you or your employer must pay them by Direct Debit unless we have agreed another method of payment.

If you and your employer want to make **single contributions**, you must pay them by automated payment unless we have agreed another method of payment.

2.2 Transfer values

Transfer values can be paid into this **scheme** at any time, they may be held under a separate **plan.**

2.3 How much can be paid or transferred into your plan

There are **HMRC** rules about **transfer values** and about how much you and your employer can pay into your **plan**.

2.4 Placing your contributions into different accounts

We may split your **plan** into more than one account. For example, there may be one account for **regular contributions**, one for **single contributions** and one for each **transfer value**.

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 as charges. If we do, this is shown on your **membership certificate**.
- We take annual management charges from your **plan**. We describe this in section 4.9.
- We take charges from your cash account if you have a **Personal Managed Portfolio**. We describe these in sections 11.3.6 and 11.4.

4 Funds and units

4.1 How we place units in your plan

Each time we receive **regular contributions**, **single contributions or transfer values**, we will place **units** in the **funds** chosen by you or for you by your employer.

For the first contribution under a new **plan** or for any **single contribution** or **transfer value**, we will not place **units** in your **plan** until we have all the information we reasonably need as well as the contribution or **transfer value**.

At any time, we may decide not to accept contributions or **transfer values** into a particular **fund**. We describe this in section 4.8.

Section 4.7 describes when we can move **units** into different **funds**.

4.2 How we work out the number of units to place in your plan

We may take a percentage of the payments made into your **plan** as charges. If we do, the percentage of the payments we take as charges will be shown on your **membership certificate(s)**.

If you choose to invest in both your **Personal Managed Portfolio** and in **funds**, we will then place the amount you tell us into your **Personal Managed Portfolio** as described in 11.3.5. We will use the remaining amount to place **units** in the **funds** you have chosen; rounding adjustments may mean that we have to vary the percentage invested into each **fund**.

If you choose to invest only in **funds**, we will then divide the amount to be invested by the price of the **units** in the **funds** you have chosen.

The price we use will be the price of the **units** calculated for the working day we receive the payment as well as any contractual or legal requirements as described in section 4.1. We will round the number of **units** to the nearer 0.01 part of a **unit**.

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 of the **fund**; and
- deposits which are increased by interest, income from the invested assets and proceeds from selling assets, and reduced by the cost of buying assets and the deductions described in section 4.3.3.

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

We may restrict the **funds** that you can invest in.

We may restrict the number of **funds** that you can invest in.

All of the above will be in accordance with the terms of this **plan**.

4.3.2 Purpose of each fund

We have only set up each **fund** so that we can work out the benefits we will pay under your **plan** and other plans. 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 of each **fund**.

The **units** we place in your **plan** are 'notional **units**'. This means we only use them to work out how much we will pay under your **plan**.

In managing the **funds**, we may increase or reduce the number of **units** in a **fund**, including the Aviva Life & Pensions UK Limited FP With-Profits Sub-Fund (FP With-Profits Sub-Fund). We will take the following actions to limit the effect of this on the **unit** price.

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

If we reduce the number of **units**, we will take from the **fund** an amount equal to the value of those **units**, allowing, in the case of the FP With-Profits Sub-Fund, for any market value reduction as described in section 10.7.1 or the addition of any final bonus.

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

4.3.3 Deductions from the funds

We are entitled to take 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 decide are appropriate to the **fund** at all times acting reasonably;
- the amount of money we reasonably believe we should set aside to pay any anticipated future taxes, fees or levies;
- trustee fees and fees payable to the **FCA** from **funds** invested with an external manager.

4.4 How we value units in each fund apart from the FP With-Profits Sub-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 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 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.

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 **plan**.

For **funds** apart from the FP With-Profits Sub-Fund we work out the **unit** price by:

- taking the value of the **fund** as describe 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 6th decimal place.

4.5 How we work out the price of FP With-Profits Sub-Fund units

The FP With-Profits Sub-Fund works in a different way to the other **funds**. The performance of the FP With-Profits Sub-Fund **units** depends on the investment profits and losses the FP With-Profits Sub-Fund makes and on the decisions we take about their distribution.

The **unit** price increases daily in line with the rate of regular bonus we declare and is rounded to one decimal place. This rate is reviewed at least once each year and may go down or up at any time. There will be no increase to the **unit** price if the bonus rate is zero.

We set regular bonus rates with the aim of allowing an adequate margin to pay final bonus on most policies when they end. As a result the value of the **units** in the FP With-Profits Sub-Fund will generally not be equal to the value of underlying assets. If the value of the **units** is greater than the value of underlying assets we may apply a market value reduction as described under section 10.7.1.

4.6 Switching out and between funds

4.6.1 What your options are

You can tell us to switch the value of some or all of the **units** placed in your **plan** into **units** in another available **fund** or into your **Personal Managed Portfolio** cash account at any time.

You can instruct us to redirect future **regular contributions** into a different available **fund** or your **Personal Managed Portfolio** cash account at any time after your first contribution has been invested.

You must tell us in writing unless we have agreed another method with you.

4.6.2 When switching is restricted

4.6.2.1 There may be a delay in switching your **units** as described in section 10.7.2.

4.6.2.2 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 switching arises from you 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 switching history in a particular **fund** or across all **funds**, aggregate value of holdings of **units** in **funds** and/or whether you are also a trustee of the **plan**.

4.6.2.3 You cannot switch the value of your **units** or redirect your future **regular contributions** into the FP With-Profits Sub-Fund:

- in the three years before your **selected retirement date**; or
- on or after your **selected retirement date**.

4.6.3 Telling us to switch units already in your plan

You can only switch a whole percentage of **units** into another available **fund** or your **Personal Managed Portfolio** cash account.

We will normally base the value of the switched **units** on the price of the **units** for the working day we receive your **written instructions**.

Any method of accepting instructions other than **written instructions**, for example by email or fax, will be subject to our agreement and the use of a later price relative to the time of receiving those instructions.

We do not currently make a charge for carrying out switches. We will tell you if this changes in accordance with section 10.2.

4.6.4 Telling us to redirect future regular contributions into another available fund or your Personal Managed Portfolio cash account

You can only pay a whole percentage of each future **regular contribution** to each **fund** or your **Personal Managed Portfolio** cash account.

We do not currently make a charge if you decide to redirect future **regular contributions**.

We will carry out the redirection when we receive the next contribution after we receive your instructions.

4.7 When we will switch your units without you telling us to

We may switch your **units** into another **fund** without you telling us to if you have reached your **selected retirement date** or your 75th birthday and we have not received any instructions from you about taking your benefits. We may do this (but are not obliged to do so) if, for example, we consider it may protect the value of **your** plan from stock market falls. We may also carry out a switch on the day after we receive written notice of your death.

We do not make a charge for carrying out this switch.

4.8 Closure or withdrawal of a fund or a significant change to a fund

We reserve the right at any time to close, close to new investment, withdraw or significantly change any **funds** 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** become 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**;

- an aspect of the **fund** changes outside of our control which means it no longer meets legislative or regulatory requirements;
- there is a change of ownership or corporate structure to the **fund** manager where this has a material adverse effect;
- the **fund** manager makes a change that does not meet our internal governance requirements;
- the **fund** has consistently failed to meet its performance objectives, as set out by the **fund** managers;
- we reasonably believe the **fund** offers poor value for money to policyholders;
- having regard to general industry standards we reasonably believe that the **fund** is (in all or most material respects) below the standard of other comparable **funds** available to policyholders;
- any investment adviser appointed by your employer ceases to provide the appropriate advice in respect of that **fund**.

We may close or withdraw a **fund** at any time. If this happens, you can switch the value of your **units** from that **fund** as described in section 4.6.3, without charge.

If you do not tell us which other **fund** you would prefer, we will switch the value of your **units** in the closed or withdrawn **fund** into **units** of the same value in another **fund** we have chosen, which we reasonably believe most closely matches the closing or withdrawn **fund**.

We may stop accepting future contributions or **transfer values** into a **fund** at any time. If this happens, you can choose another available **fund** without charge. If you do not tell us which other **fund** you prefer, we will choose another **fund** for you, which we reasonably believe most closely matches the **fund** we stopped accepting future contributions or **transfer values** into.

We will give you three months' **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 tell you if there is a significant change to a **fund** that we consider may affect your decision to invest in that **fund**. For example, if the **fund** splits, or merges with another **fund**. We will try to give you as much notice as possible but the amount of notice we give you will depend on how much notice we have had of the change.

You will receive **written notification** of any changes to your **plan**/**scheme**.

4.9 How we take annual management charges from your funds

The annual management charges that apply to your **funds** are shown in your illustration. Every month we will take **units** from each **fund** in your accounts to cover the cost of those management charges.

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

If you take benefits, die or transfer your **plan** 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 provided this does not in itself increase those charges. We will inform you of this change as soon as practicable.

We will not increase the level of annual management charges unless there are changed circumstances, as described in section 10.2.1.

4.10 Reassurance funds

Included within the range of investment **funds** available are **funds** which mainly invest in **funds** operated by other life insurance companies so that these **funds** can also be available to Aviva policyholders.

The value of an investment **fund** where the underlying **fund** is operated by another life insurance company mainly depends on the value of the assets held by the other life insurance company in respect of that underlying **fund**. In the event that the other life insurance company failed to meet its obligations in relation to the investment **fund** the value of the **fund** would be reduced to reflect that failure.

4.11 Investment programmes

Investment programmes may be available to your **plan**. They manage some or all of your investments in **funds**.

They may apply throughout your **plan** or only during a certain number of years prior to your retirement.

When an investment programme applies to your **plan** we will switch your 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. The investment programmes will not switch any money you have invested in the FP With-Profits Sub-Fund. Usual **plan** and **fund** charges apply to **funds** within investment programmes. Please refer to your **scheme** documentation and investment guides to find out what, if any, investment programmes apply to your **plan**.

The investment programme end date is known as the Investment Programme Retirement Date and it will match your **selected retirement date** unless you tell us otherwise. If you change the Investment Programme Retirement Date, this may result in your existing **fund** holdings being switched and change where any future contributions are invested. You may choose a different Investment Programme Retirement Date at any time.

If you are automatically enrolled into, or join an **automatic enrolment** scheme, you can select, change, or remove any investment programme once the first contribution has been invested. Otherwise you can choose an investment programme when you start the **plan**. 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.

It is possible to retain **your** lifestyle or lifetime investment programme which will cover **your plan** up to the maximum age of 75. Once **you** reach age 75, the lifestyle or lifetime investment programme will stop and **your** investments will remain in the funds unless **you** make a decision on where to switch to.

You do have the option to turn off the lifestyle or lifetime investment programme, if **you** select this option **you** will need to choose which funds **you** want to switch to. Any switches will apply to both **your accumulation pot** and **income drawdown pot** (if **you** have both at this point in time).

Where an investment programme does not apply throughout the term of your **plan**, but starts a number of years before your retirement;

- the investment programme will overlay your own choice of investment **funds**;
- where your own choice of **funds** is the same as one of the **funds** within the investment programme, your total holding in that **fund** will be used to calculate the movements of money into and within the investment programme.

We may change or remove any investment programme for any of the reasons set out below. 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.

If any or all of the above changes happen, we will make information available about the change; however, we will not write to you before any or all of the changes or ask your 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 notify you of the change as soon as practically possible, but this may be after the change has taken place. This could be up to a year after we make the change.

We reserve the right to make the changes in the above bullet points to investment programmes and amend an investment programme when there are:

- changes in applicable pensions law, tax law or other law, legislation, regulation or industry codes of practice which affect your 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 your 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 your investment programme;
- changes to services relating to your **plan** 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 the investment programme operates in a way which is unfair to you or our other policyholders;
- 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 policyholders;
- changes required to amend an error where it is reasonable to do so;
- changes required for appropriate governance reasons to implement legislation or regulatory changes or best practice.

When you leave your employer's **scheme**, your **plan** may remain invested in an investment programme designed specifically for that **scheme**. If this is the case, no future amendments your employer and their investment adviser might make to that investment programme would be applied to your **plan** after you have left employment.

You can change your investment instructions at any time.

4.12 Default investment solutions

The **default investment solution** is where your contributions will be invested if you do not make an investment decision.

We reserve the right to change a **default investment solution**, whereby your investments may be moved out of an existing solution and into a new **default investment solution**, should analysis conducted by our investment experts deem it appropriate.

As a default investment solution is an investment programme, we reserve the right to make the changes set out in 4.11 to default investment solutions.

When you leave your employer's **scheme**, we may change your investments to match those of the relevant **default investment solution** which we provide at the time. If this happens we will let you know when you leave the **scheme**. This may mean a change in charges, up or down.

If your contributions are invested in a **default investment solution** we reserve the right to:

- invest future contributions in a different **default investment solution** or investment where required,
- Move existing **fund** holdings into the new **default investment solution** or investment, at all times acting reasonably and in accordance with this clause. We will endeavour to give you at least 30 days' **written notice** of any change made in accordance with this clause, where it is possible to do so.

5 Your pension benefits

Your pension benefits depend on:

- the value of your **plan** which is described in sections 5.6 and 11.7; and
- the **rules** which govern when you can take your benefits and what benefits are available.

5.1 When you can take your pension benefits

You must normally take pension benefits from your **plan** between age 55 and 75. Please see section 5.2E 'Options at age 75' for more information.

You can take your pension benefits before age 55 if:

- you have a protected pension age as set out in Schedule 36 of the Finance Act 2004, as amended from time to time; or
- you meet the ill-health condition as set out in Schedule 28 of the Finance Act 2004, as amended from time to time.

The Government may change the age at which you can take your benefits.

You may be able to take your pension benefits in stages.

You cannot take any FP With-Profits Sub-Fund **units** in stages.

We will tell you if you can take your pension benefits in stages when you reach your **selected retirement date** or when you tell us you wish to start taking pension benefits.

Please ask us if you want details of this at any other time.

You do not need to cease employment before you take all your benefits. If you take your benefits anytime before your 75th birthday and remain in employment and your employer is required to pay contributions to comply with **automatic enrolment regulations** we may set up a new **plan** within your employer's pension **scheme**.

You must ensure that we receive your **written instructions** and all of the documents described in section 5.6 at least one day before your 75th birthday.

If you wish to transfer to another scheme to access your benefits, you should read section 8.

5.2 What pension benefits are payable?

You will have a fund that you can use to provide pension benefits. There are different options available, and you should take financial advice or guidance before choosing your option(s).

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

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

A – Taking Tax free Cash which is not a Lump Sum

You can normally take up to 25% of the value of your **plan**, or the relevant part of your **plan** if you are taking your benefits in stages, as a tax-free cash sum. This may be more than 25% if the transfer from your previous scheme was a block transfer as defined in Part 4 of the Finance Act 2004. Your tax-free cash may be less than 25% or even zero if you have already been paid the maximum tax-free cash allowed by HMRC. We will tell you how much tax-free cash you can take when you decide to take your benefits.

When you take your tax-free cash, you must use the rest of the value of your **plan**, or part of you **plan** if you are taking your benefits in stages, to buy an annuity or designate to **income drawdown**.

B – Buying an annuity

You can buy your annuity from us or another provider as described in Sections 5.3 and 5.4.

If you choose, you can buy an annuity for your husband, wife, civil partner or dependant when you die.

C – Lump sum (also known as Uncrystalised Funds Pension Lump Sum (UFPLS))

You can take all or part of your **plan** value that you have not designated to **Income Drawdown** as a **lump sum**.There is no minimum amount that you must take.

The maximum amount you can take as a **lump sum** is the entire value of that part of your **plan** which is not designated to **Income Drawdown**.

Your payment will be funded by units being cancelled. If you have invested in more that one fund, your payment will be funded by deducting a proportionate amount from each **fund**.

Should you take a partial **lump sum**, it will not be possible to specify the **funds** it can be taken from. Once we have received your written instructions and any documentation we may reasonably require we will cancel **units** and use the **unit** price available on the date all requirements have been received. We will tell you what documentation we need when you contact us about your request to take benefits. Normally we will require your instructions to be in writing but reserve the right to accept verbal instructions subject to our agreement.

D – Income Drawdown (also known as Flexi-Access Drawdown)

You can designate all or part of your **plan** as available for **Income Drawdown**. We will set up an **Income Drawdown** pot within your **plan**.

Choosing your investments for your **Income Drawdown pot** is an important decision. There is no **default investment solution** that applies to your **Income Drawdown pot** 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.

When you **designate** funds to **Income Drawdown** you may take some of your funds, normally up to 25%, as a tax free cash sum. You can take income payments from your **Income Drawdown pot** on an ad hoc basis and/or as regular payments on a monthly, quarterly, half-yearly or yearly basis. There is no upper or lower limit on each payment amount you can withdraw (subject to the necessary value of investment being available in your **Income Drawdown pot**).

If you have invested in more than one fund, income payments will be funded by deducting a proportionate amount from each fund.

Once we have received your written instructions to take a payment and any documentation we may reasonably require to proceed with this, we will cancel units and use the unit price available on the following basis:

- If you have requested a tax-free payment or ad hoc payment to be made on your **selected retirement date**, the unit price three working days' before your selected retirement date will be used. You will need to provide all our requirements at least eight working days before your **selected retirement date** to ensure this unit price is used.
- If you choose to take your benefits on your 55th birthday, we are unable to start processing your request until that date. Your benefits will not be paid until at least three days after that date.

Or

- If a date other than your **selected retirement date** has been selected, or if we have not received all of our requirements at least eight working days before your **selected retirement date**, we will use the unit price of the working day of receipt of all documentation we require to proceed.
- For regular income payments three working days before the payment due date.
- If you hold deferred funds, the process starts three days prior to the payment date, but will not reach your bank account until three days after your requested payment date.
- If you hold with-profits funds, the fund switch must be completed before **Income Drawdown** can be processed.
- We will endeavour to make your payment on your chosen date. Some fund pricing structures may require additional processing time, in these cases payment may be delayed by up to two days.
- We will tell you what documentation we need when you contact us about your request to take benefits. Normally we will require your instructions to be in writing but reserve the right to accept verbal instructions subject to agreement.
- If you are taking income and are invested in a fund in which unit cancellations are deferred, we will let you know if and why we need to delay payments, transfers and fund switches. Further information about the circumstances under which unit cancellation may be deferred can be found in

Section 10.7.2. If you are using **Income Drawdown**, charges will continue to be applied to you plan in accordance with Section 3. We will deduct the annual management charge (described in Section 10.2.1) before any **Income Drawdown** payments/transfers are made to ensure we receive any outstanding charges.

We do not charge for moving you into **Income Drawdown**. We reserve the right to make a charge in the future

Investment Pathway Funds

If you invest in an **Investment Pathway Fund**, all of your **plan's Income Drawdown Pot** must be invested in it. This means you cannot hold any **Income Drawdown Funds** in other investment **funds** at the same time as investing in an **Investment Pathway Fund**.

You may switch all your **Income Drawdown Funds** into and out of an **Investment Pathway Fund** at any time subject to your existing switch terms.

You can only invest in one **Investment Pathway Fund** at a time.

Investment Pathway Funds are only available for the investment of your **Income Drawdown Pot**. They are not available for the investment of **Funds** that have not been **designated** for **Income Drawdown**.

Changes to an Investment Pathway Fund

We may change an **Investment Pathway Fund** in which you are invested for any of the reasons set out below. The changes include (but are not limited to):

- name of the **Investment Pathway Fund**;
- funds used within the **Investment Pathway Fund**;
- mix of funds within the **Investment Pathway Fund**;
- risk profile and investment strategy of the **investment Pathway Fund**;
- charges that apply in the **Investment Pathway Fund**.

This may mean that the charges and risk ratings change, either up or down, reflecting the charges and risk ratings of the new **funds** and their relative proportions.

We reserve the right to make any or all changes listed in the above bullet points to **Investment Pathway Funds** that are in our opinion reasonably required, in order to reflect changes:

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

We reserve the right at any time to close, close to new investment, withdraw or significantly change any **Investment Pathway Fund** or **fund** within an **Investment Pathway Fund** 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** become 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**;
- an aspect of the **fund** changes outside of our control which means it no longer meets legislative or regulatory requirements;
- there is a change of ownership or corporate structure to the **fund** manager where this has a material adverse effect;
- the **fund** manager makes a change that does not meet our internal governance requirements;
- the **fund** has consistently failed to meet its performance objectives, as set out by the fund managers;
- we reasonably believe the **fund** offers poor value for money to policyholders;
- having regard to general industry standards we reasonably believe that the **fund** is (in all or most material respects) below the standard of other comparable **funds** available to policyholders;

We will tell you if there is a significant change to an **Investment Pathway Fund** that we consider may affect your decision to invest in that **fund**. We will try to give at least 30 days' written notice of the change, but the amount of notice we give you will depend on how much notice we have had of the change.

E – Options at age 75

If by your 75th Birthday you still have money in your accumulation pot, you have the following choices:

- Purchase of an annuity with Aviva or another provider via the open market option; or
- Transfer to another pension provider who allows you to continue saving to a later age; or
- **Designate** the remaining fund into **Income Drawdown**; or
- Take a lump sum payment.
- If you only have an **accumulation pot** and you reach 75 years of age and no contact is made with Aviva, an annuity will be set up.
- If you have both an **Income Drawdown** and **accumulation pot** and no contact is made, then your **accumulation pot** will be **designated** into your existing **Income Drawdown pot**.

By your 99th Birthday you must make one of the following choices (as you can no longer hold an Income Drawdown pot with Aviva):

- Purchase of an annuity with Aviva or another provider via the open market option; or
- Transfer to another **Income Drawdown** provider who allows a later age; or
- Take an ad hoc income payment to exhaust the remaining savings.

5.3 Buying your lifetime annuity from us

The amount of your annuity depends on:

- the value of your **plan**;
- the type of annuity you choose; and
- our annuity rates at the time.

5.4 The open market option

If you want to buy your lifetime annuity from another provider, we will pay any tax-free cash sum you have chosen as described in Section 5.2A first. We will then pay the value of the rest of your **plan** direct to the other provider.

5.5 How we value your plan

5.5.1 If you take your pension benefits on your selected retirement date

The value of your **plan** (or part of your **plan** if you are taking pension benefits in stages) is the number of **units** multiplied by the **unit** price on your **selected retirement date**.

We will use a different **unit** price if we have not received your **written instructions** and the documents described in section 5.6 before your **selected retirement date**. This will be the **unit** price for the working day we receive the last of these at our **administration headquarters**.

If any of your **units** are in the FP With-Profits Sub-Fund, we may include an extra payment as a final bonus.

If you have **funds** invested in a **Personal Managed Portfolio** your options are described in section 11.7.

5.5.2 If you take your pension benefits before or after your selected retirement date

The value of your **plan** (or part of your **plan** if you are taking pension benefits in stages) is the number of **units** multiplied by the **unit** price for the working day we receive your **written instructions** and the last of the documents described in section 5.6 at our **administration headquarters**.

If any of your **units** are in the FP With-Profits Sub-Fund, we may include an extra payment as a final bonus.

In some circumstances, we may also make a market value reduction to the value of your **units** in the FP With-Profits Sub-Fund.

We describe this in section 10.7.1. We would not make a market value reduction when you take your pension benefits at your **selected retirement date**.

5.6 What we need to support your claim for pension benefits

We will only pay your pension benefits when we have received evidence which we reasonably believe proves:

- your date of birth;
- your entitlement to receive the pension benefits;
- details of the other provider if you want your pension paid by another company; and
- the date of birth of your husband, wife, civil partner or **dependant** if your pension will continue to be paid to him or her when you die.

If your date of birth was wrong on your **membership certificate**, we may change the amount of benefits we pay to reflect your actual date of birth.

6 What happens to your plan when you die?

The benefits we can pay when you die depend on:

- the value of your **plan**;
- whether you have taken pension benefits; and
- the **rules** which govern what benefits are available.

This section includes a summary of the **rules** on what we can pay. These **rules** are subject to change and depend on individual circumstances.

6.1 What will be paid if you die

If you die, the **rules** require us to decide who should receive the value of your **plan**, we describe this in section 6.3. Unless you have declared a trust over the **plan** death benefit, we have discretion, but will make appropriate enquiries before deciding who to pay. If you have nominated a beneficiary or beneficiaries, we will always take your nomination into account in making the decision, but your nomination is not binding. If you have declared a trust over the **plan** death benefit, we will pay a cash sum to your trustees.

If you have not declared a trust over the **plan** death benefit, we will pay:

- a cash sum to or for the benefit of any one or more of the following, in whatever proportions we reasonably decide to:
  - any person, charity, association, club, society or other body (including the trustees of any trust) whose names you have notified to us in writing prior to your death;
  - your surviving spouse or registered civil partner;
  - your **dependants**;
  - any person, charity, association, club, society or other body entitled under your will to any interest in your estate; or
  - your legal personal representatives; or
- an annuity for your husband, wife, civil partner or **dependant**. This can only be paid from your **accumulation pot**. We will only pay a cash sum from your **Income Drawdown pot**.

6.2 If your husband, wife, civil partner or dependant buys an annuity

Your husband, wife, civil partner or **dependant** can buy their annuity from us or another provider.

If your husband, wife, civil partner or **dependant** buys the annuity from us, the amount of annuity depends on:

- the value of the **plan**;
- the type of annuity; and
- our annuity rates at that time.

If your husband, wife, civil partner or **dependant** buys the annuity from another provider, it must be approved by **HMRC**. We will pay the value of the **plan** direct to the other provider.

6.3 How we value your plan

The value of your **plan** is the number of **units** being used to provide benefits multiplied by the **unit** price for the working day we receive **written notice** at our **administration headquarters** of your death. If your **plan** includes **units** in the FP With-Profits Sub-Fund, we may include an extra payment as a final bonus.

If you have **funds** invested in a **Personal Managed Portfolio** your options are described in section 11.7.

6.4 What we need to support a claim for death benefits

We will only pay the death benefits when we have received evidence which we reasonably believe proves:

- your death;
- your date of birth;
- the identity of the person claiming the benefits and their relationship to you;
- the date of birth of your husband, wife, civil partner and **dependants**, where relevant; and
- how the benefits are to be paid;
- we may also need a Grant of Probate or Letters of Administration.

If your date of birth was wrong on your **membership certificate**, we may need to change the amount of benefits we pay to reflect your actual date of birth.

If death benefits are being paid to your husband, wife, civil partner or dependant as an annuity as described in section 6.2 the evidence required will relate to the person referred to in that section.

7 What happens if we pay your pension benefits or the death benefits late?

If you are taking your pension benefits and we pay them after the **pension date**, or we pay the death benefits later than the day after we receive **written notice** at our **administration headquarters** of your death then the following will apply:

- If you are retiring, any interest we pay will be from the date we receive the last information and documents we need to pay the benefits to the date we pay them.
- If you die, any interest we pay will be from the day after we receive at our **administration headquarters written notice** of your death to the date we pay the death benefits.
- The amount of interest will depend on the Bank of England base rates in place at that time.

We will not pay interest if it is below our minimum level. Please ask us if you want details of our current minimum level.

We will not pay interest for any period of delay as described in section 10.7.2 but in such circumstances we will value the **units** using the **unit** prices which apply immediately after the end of the period of delay.

We will not pay interest on any part of your **plan** in your **Personal Managed Portfolio**.

8 Transferring the value of your plan to another scheme

8.1 About transferring

You can transfer the value of your **plan** to another registered pension scheme or a qualifying recognised overseas pension scheme, as allowed by the **rules**.

There are **HMRC** rules and social security regulations about transferring your **plan**.

You must arrange for the sale of your **Personal Managed Portfolio** investments before we can transfer the value of your **plan**. We describe this in section 11.7.

8.2 How we work out the value of your plan

We multiply the number of **units** in your **plan** by the **unit** prices for the working day we receive, at our **administration headquarters**, the last of the documents and information we need to transfer the **plan**. In some circumstances we might reduce the value of **units** in the FP With-Profits Sub-Fund by making a market value reduction. We describe this in section 10.7.1. If your **plan** includes **units** in the FP With-Profits Sub-Fund, we may include an extra payment as a final bonus.

If you have **funds** invested in a **Personal Managed Portfolio** your options are described this in section 11.7.

8.3 Instructing us to transfer the value of your plan to another scheme

When we receive your instructions to transfer the value of your **plan**, we will send you a form showing the value of your **plan** and telling you what to do. Once we have made the payment to the other registered pension scheme or a qualifying recognised overseas pension scheme, your **plan** finishes. We don't take charges for transferring the value of your **plan** to another registered pension scheme or a qualifying recognised overseas pension scheme, unless we have sent you an endorsement showing we do or your illustration shows we do.

8.4 Taking a transfer to access your benefits

Between the age of 55 and 75 you can normally take a full or partial transfer to another scheme, to allow you to take benefits. We may apply a minimum value if you take a partial transfer, we will tell what this is when you reach your **selected retirement date** or when you tell us you wish to start taking your pension benefits. If you only take a partial transfer your **plan** will remain in force after the payment is made.

9 When we might make a refund or stop accepting contributions

9.1 When we may need to make a refund

We may need to make a refund to you or your employer. The **rules** describe the circumstances when we may need to do this. If we make a refund, we will take the number of **units** from your **plan** which equal the value of the refund using the **unit** prices on the day. We will take the **units** from the account we make the refund from.

If there are **units** in the FP With-Profits Sub-Fund, we may make a market value reduction. We describe this in section 10.7.1.

If we make the refund from your **Personal Managed Portfolio**, we will make the refund from your cash account. If there is not enough in your cash account to cover the refund you can tell us to cancel **units** to the appropriate amount, or you may need to sell sufficient investments to cover the cost of the refund. If you do not do this, we may cancel **units** or sell investments of sufficient value in order to make the refund. There may be a delay in making the refund. We describe this in 10.7.2.

9.2 When we cannot accept further contributions

We can only accept contributions to the **plan** if:

- the **scheme** is still registered with **HMRC**;
- you are still eligible to pay them or for your employer to pay them; and
- you and your employer have given us all the information we need to decide if you are still eligible.

If we cannot accept further contributions to the **plan**, we will stop collecting them.

We will also stop accepting contributions if:

- you have used all of your **plan** to provide pension benefits as described in section 5
- you have reached age 75; or
- we have been notified, at our **administration headquarters**, of your death; or
- you have transferred the value of your **plan** to another registered pension scheme or a qualifying recognised overseas pension scheme as described in section 8.

Where we are unable to accept contributions to this **plan** but your employer is required to pay contributions to comply with **automatic enrolment regulations**, we may set up a new **plan** within your employer's pension scheme.

10 Changed circumstances

10.1 Change of investments

We may sell **units** held in your **fund** if you have not previously instructed us to invest in a **fund** or **funds** other than the **fund** automatically selected for you by your employer, if:

- your employer chooses to discontinue to take investment advice and stops taking responsibility for that **fund**; or
- you leave your employer.

We may then invest the proceeds of this sale in the Aviva **default investment solution** and may close the **fund** as set out in 4.8.

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 4.8. 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 4.11) applicable to you where it is possible to do so.

10.2 Increasing our charges

10.2.1 The annual management charge

The annual management charge(s) will be calculated as a percentage of the value of the **fund**(s) in which you are invested. The annual management charges vary by **fund** and may be changed at any time.

The circumstances that could lead to an increase in the annual management charges, are an increase in the percentage of the investment **funds** required to cover the costs and expenses associated with your **plan** and investment **funds** and increases in such costs and expenses resulting from future changes. These costs and expenses are in addition to those set out in 4.3.3. Future changes in costs and expenses could result from:

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

The increase in the annual management charge would reflect such increase in costs and expenses or the fact that they represent a higher percentage of the value of the investment **fund**. If this happens we would write to all policyholders who are affected to tell them of the change. We will give you three months' notice before we increase the annual management charge or as much notice as is reasonably practicable to give if we are unable to give that much notice.

By reserving the right to make increases to the annual management charge, we are also able to maintain the capital we are required to keep by the Prudential Regulation Authority at a level which would avoid having to apply generally higher charges to the **plan**.

10.2.2 **Personal Managed Portfolio set-up and renewal fees**

We may increase the set-up and renewal fees we take for administering your **Personal Managed Portfolio** described in 11.4.2. We may do this:

- to take account of inflation; or
- if there are increases in our costs above inflation; or
- if our costs are higher than anticipated (for example, as a result of action by our third-party partners).

We will tell you the set-up fee that applies to your **plan** before we set up your **Personal Managed Portfolio**.

We will give you three months' notice before we increase any renewal fees. You will be informed by **written notification** 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.

10.3 Other charges

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. 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 are higher than we expect; or
- increases in the costs of external fund managers; or
- the **fund** changes its investment strategy, resulting in an increase in costs.

The change in charges would be reasonable and proportionate to such change in costs and expenses. If this happens we would advise all policyholders who are affected by **written notification**.

10.4 When we may make changes to the plan

10.4.1 We reserve the right from time to time by giving you three months **written notice**, so far as it is practicable to do so, to make such changes or additions to these terms and conditions as are reasonably required to reflect:

- changes in applicable pensions, tax or other law, legislation, regulation or industry codes of practice which affect your **plan**;
- changes in how the London Stock Exchange or other relevant investment or regulated markets may work which may impact on the operation of your **plan**;
- changes in investment/share dealing administration or other infrastructure facilities, systems or means of communication which impact on the provision and operation of your **plan** and which are outside of our control;
- changes to services relating to your **plan** 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 is outside of our control which means that the **plan**'s terms and conditions operate in a way which is unfair to you or our other policyholders;
- changes resulting from the introduction of new systems, services, and changes in technology outside of our control;
- 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 terms and conditions, provided that any such change is not unfair to you or our other policyholders or;
- changes required to amend an error where it is reasonable to do so.

10.4.2 We reserve the right from time to time to make changes or additions to these terms and conditions for any other reason, which may or may not have a detrimental effect on you, and which are not set out in 10.4.1 above. If you suffer a material detriment as a result of a change or addition under this paragraph 10.4.2 you may notify us and you will be free to transfer your **plan** to another registered pension scheme or a qualifying recognised overseas pension scheme. We will waive any transfer out fees and charges provided that the transfer is made within 3 months (or such longer period as may be reasonably necessary in the circumstances) from the date on which we gave you **written notice** of the change or addition.

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

10.5 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**.

You will be able to use the value of your **plan** in a way described in the **rules**.

10.6 What happens if the amount of your tax relief changes?

In very rare circumstances, we may have claimed more tax relief from **HMRC** for you than they owe you. If the amount we receive from **HMRC** is less than the amount we paid to your **plan**, we will:

- take some **units** which equal the value of the difference using the **unit** price for the day we take them. We will take the **units** from the account we paid your tax relief into; or
- take money from your **Personal Managed Portfolio** cash account if we paid the tax relief into your **Personal Managed Portfolio**.

If there is not enough in your cash account to cover the refund you can tell us to cancel **units** to the appropriate amount, or you may need to sell sufficient investments to cover the cost of the refund. If you do not do this, we may cancel **units** or sell investments of sufficient value in order to make the refund.

10.7 Changed circumstances affecting transfer payments, refunds, pension benefits and switching

10.7.1 When we may make a market value reduction

In some circumstances, we may make a market value reduction to the value of your **units** in the FP With-Profits Sub-Fund. This will be when we carry out your request for a transfer payment, to switch **units** out of with-profits or to pay your pension benefits or when we make a refund, as under section 9.1. We will tell you that we will reduce the value of the **units** before we carry out your request or make the refund. We will not reduce the value of your **units** when you die or at your original **selected retirement date**.

We will make the market value reduction by reducing the value of these **units** to the approximate value of their share in the assets of the FP With-Profits Sub-Fund.

We will only make a reduction if we believe it is necessary to protect the interests of other with-profits policyholders in the FP With-Profits Sub-Fund.

An example is where the value of the investments in the **fund** has fallen significantly.

10.7.2 When we will delay paying a transfer or refund, switching, or paying your pension benefits

10.7.2.1 From your **funds** we may, as a result of:

- the closure of, or suspension of dealings on, a main stock exchange, or
- any period when assets cannot be valued or sold or it is impracticable to do so or they cannot be sold without a significant reduction in price; or
- circumstances outside of our control such that continued dealing in the **units** may not be fair to all potentially affected policyholders; or
- during a breakdown in any system of communication (including computer systems) used in determining the price or value of the assets of a **fund** or the current prices or values on any market or stock exchange;

at any time suspend temporarily, or delay for such period as may reasonably be required, the valuation, allocation, switching, surrender or any other dealings with the **units** in any **fund**.

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

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 postponement, deferment 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.
- where due to exceptional circumstances we reasonably consider that it is in the interests of planholders whose **plans** are invested in the **fund** to do so.

10.7.2.2 From your **Personal Managed Portfolio** we may delay carrying out your request to pay a transfer, to switch out of the **Personal Managed Portfolio**, pay your pension benefits or paying a refund if a dividend payment, asset sale or corporate action is outstanding.

We will tell you that there will be a delay before we carry out your request or make the refund. We will not delay paying benefits when you die or take your pension benefits at your **selected retirement date**.

11 About the Personal Managed Portfolio

11.1 How the Personal Managed Portfolio fund works

The **Personal Managed Portfolio** works in a different way from the **funds**.

You can invest directly in a range of assets including:

- stocks and shares; and
- corporate and government bonds; and
- collective investments.

We may introduce new types of investments at any time.

We may choose to restrict the type of investments you can invest in.

We may not agree to particular investments for any reason.

11.2 Purpose of the Personal Managed Portfolio

We have set up the **Personal Managed Portfolio** so we can work out the benefits we will pay under your **plan**. The investments in the **Personal Managed Portfolio** are our property.

Nothing contained in these terms and conditions will:

- mean that you or any other person has a legal or beneficial interest in any of the investments in the **Personal Managed Portfolio**; or
- restrict, in any other way, how we own the investments in the **Personal Managed Portfolio**.

11.3 Your Personal Managed Portfolio cash account

11.3.1 Opening your cash account

You must agree to participate in the Aviva HSBC bank account if you want to invest in a **Personal Managed Portfolio**. The HSBC bank account is in our name and we are the signatories of the account. You will have a sub-account within our account. In these terms and conditions we refer to your sub-account as your 'cash account'.

We may change the bank we use at any time. We will tell you if we decide to do this. You may then be required to agree to participate in the bank account of the bank we have chosen.

11.3.2 Overdrafts

We will only allow an overdraft to cover the charges described in section 11.3.6. We will not allow an overdraft to pay any fees payable to your financial adviser.

If your cash account is overdrawn for thirty days or more, we will arrange for assets to be sold equal to the value of the overdraft. We will sell the most recently acquired assets first. The normal dealing charges will apply.

We will charge you interest on your overdraft. We will tell you the way we calculate interest when we open your cash account. We will tell you if we change the way we calculate interest.

11.3.3 Interest

We will pay interest on your balance when your cash account is in credit. We will do this once a month. We will tell you the way we calculate interest when you open your cash account. We will tell you if we change the way we calculate interest.

11.3.4 Statements

Once a month we will send you a statement showing movements of money in and out of your cash account and the balance on it. This includes the charges we take for administering your **Personal Managed Portfolio**. We describe these in section 11.3.6.

We will not send you a statement if the balance on your cash account is nil and there have not been any movements of money, including taking charges.

11.3.5 What we will place in your cash account

We will place in your cash account:

- all **regular contributions**, **single contributions** and **transfer values** that you tell us are to be invested in your **Personal Managed Portfolio**; and
- the value of **units** switched from your **funds**, as described in section 4.6.3; and
- interest on your balance, as described in section 11.3.3; and
- all money received from your stockbroker or your discretionary fund manager including from cash dividends, interest on dividends, interest on bonds or gilts or from the sale of your **Personal Managed Portfolio** investments or refunds of charges.

All money in your cash account must be cleared funds before you can invest it.

11.3.6 What we will take from your cash account

We are entitled to take from your cash account:

- any pension or death benefits we describe in sections 5 and 6; and
- any transfer out of your Personal Managed Portfolio we describe in section 8; and
- any refund we describe in sections 9.1 and 10.6; and
- any overdraft fees we describe in section 11.3.2; and
- if you are using a stockbroker, the cost of placing a trade you have told us to make with the stockbroker; and
- if you are using a discretionary fund manager, all payments you tell us or they tell us are to be made to them; and

- all costs and expenses we have to pay to the stockbroker or discretionary fund manager to buy, sell, maintain or value any of your **Personal Managed Portfolio** investments. These are described in the investment options guide; and
- the cost of annual management charges described in section 11.4.1; and
- our **Personal Managed Portfolio** set-up and renewal fees described in section 11.4.2; and
- the amount of taxes and levies (other charges we have to pay by law) we decide are appropriate; and
- any fees you have authorised us to pay to your financial adviser; and

All money in your cash account must be cleared funds before you can invest it.

11.4 How we take charges from your Personal Managed Portfolio

11.4.1 Annual management charges

We show the annual management charges we have taken from your **Personal Managed Portfolio** on your cash account statements. We describe this in section 11.3.4.

We will take money to cover the cost of annual management charges from your cash account once a month.

If you take benefits, die or transfer your **plan** part way through a month, we may take the cost of annual management charges due for that month.

We may change the interval at which we take annual management charges.

We will not increase the annual management charges unless there are changed circumstances, as described in section 10.2.1.

11.4.2 Our Personal Managed Portfolio set-up and renewal fees

Your **key features document** shows the set-up fee and any renewal fees that apply to your **Personal Managed Portfolio** at the start of your **plan**.

We review the fees once a year. Section 10.2.2 describes when we may increase the fees.

We show the fees we have taken on your cash account statement as described in section 11.3.4.

We will take the set-up fee when the money in your cash account is cleared and any cancellation period has expired.

We will take any renewal fees once a year.

11.5 The stockbroker or discretionary fund manager

You may request us to enter into an agreement with a stockbroker or discretionary fund manager of our choice, or from a selection of our choice, if you want to invest in a **Personal Managed Portfolio**. We may change the stockbroker(s) or discretionary fund manager(s) we use at any time. We will tell you if we do this.

The role and responsibilities of the stockbroker or discretionary fund manager will be as described in the 'Your guide to the New Generation Personal Pension – SIPP option' document and **key features document**. It will also describe their costs.

11.6 When we will take instructions from you to buy investments

11.6.1 If you are using a stockbroker

We will instruct the stockbroker to buy the investments you have chosen when we receive:

- your instructions over the telephone, by email or in writing via fax or letter or other method we may make available; or
- the last of the documents we need to give them their instructions. We will tell you what documents we need.

We will take the following money out of your cash account in order to enable the stockbroker to settle the deal in the market (this will normally happen on the trade settlement date):

- money to cover the costs of the asset purchase; and
- any other costs they tell us you have to pay to cover their costs.

11.6.2 If you are using a discretionary fund manager

If you are using a discretionary fund manager, we will take money out of your cash account within two business days of the day you tell us to do this. We will take the amount you tell us to pay to them subject to there being sufficient available funds in your account.

11.7 Selling your Personal Managed Portfolio investments and how we value your Personal Managed Portfolio

You must arrange for the sale of enough of your **Personal Managed Portfolio** investments when:

- you want to take tax-free cash; or
- you want to buy an annuity from us or another provider; or
- you want to transfer the value of your **plan** to another scheme; or

- you want to switch the value of your **Personal Managed Portfolio** investments into **funds**; or
- we receive an order to pay a pension debit from your **plan** as a result of your divorce or the dissolution of your civil partnership.

We will arrange for the sale of all your **Personal Managed Portfolio** investments when we receive everything we need to support a claim for death benefits, as described in section 6.5. We will also suspend all dealing on your **Personal Managed Portfolio** and close your cash account once all outstanding payments have been received and the claim can be paid.

The money in your cash account must be cleared funds before we can:

- pay tax-free cash; or
- set up an annuity for you, your husband, wife, civil partner or **dependant**; or
- pay the value of your **plan** to another provider to set up an annuity for you, your husband, wife, civil partner or **dependant**; or
- pay death benefits; or
- transfer the value of your **plan** to another scheme; or
- switch the value of your **Personal Managed Portfolio** investments into **funds**.

The value of your **Personal Managed Portfolio** will be the value of cleared money placed in your cash account after sale of those investments. We will add anything left in your cash account after interest or deductions have been taken as described in section 11.3.6. If your cash account is overdrawn, we will sell assets or take **units** from your **funds** equal to the value of the overdraft.

11.8 Corporate actions

The number of shares in your **Personal Managed Portfolio** may change as a result of a 'corporate action'. Corporate actions include:

- takeovers;
- bonus or scrip issues;
- share splits;
- share buy-backs;
- rights issues; or
- consolidations.

If this happens we, or if appropriate, the discretionary fund manager will tell you, over the telephone, by email or in writing via fax or letter or other method.

We will place the proceeds of the sale of the shares in your cash account.

11.9 When we might sell your Personal Managed Portfolio investments without you telling us to

We may sell your **Personal Managed Portfolio** investments and move the money into a **fund** or your cash account if you are within one month of your 75th birthday and we have not received instructions from you about taking your benefits.

We will also close the cash account and suspend all dealing.

We may sell assets to recover your overdraft. We describe this in section 11.3.2.

1.10 Switching out of your Personal Managed Portfolio

You must arrange for the sale of your **Personal Managed Portfolio** investments when you want to switch the value of your **Personal Managed Portfolio** investments into **funds**.

We describe this in section 11.7.

The money in the cash account must be cleared funds before we will accept instructions to buy **units** in the **funds** you have chosen.

12 Potential conflicts of interest

There may be times when Aviva Plc group companies or our appointed officers have some form of interest in the business being transacted.

If this happens or when we become aware that our interests, or those of our officers, conflict with your interests, we'll take all reasonable steps to manage that conflict of interest. We'll do this in a way that treats all customers fairly and in line with proper standards of business.

Further details of our conflicts of interest policy are available on request.

Where, despite all efforts to manage a conflict of interest, the conflict of interest cannot be prevented, we will disclose it to you before you commit to taking out this product or taking any investment action in relation to it.

Aviva Life & Pensions UK Limited.

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