

# Key features of the Company Pension @ Aviva

For employees contracting-out

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## Key features

### For employees contracting-out

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

#### Its aim

- To build up a pension fund that may give you greater benefits at retirement than you get from the State Second Pension (S2P). This will provide you with an income when you retire.
- To give you the opportunity of taking benefits at an earlier age than you can from S2P.

#### Your commitment

- You don't pay us anything direct. The National Insurance Contributions Office (NICO) will pass on part of your and your employer's National Insurance contributions to us.
- You give up the right to future retirement benefits from S2P for the years you are contracted out. Benefits you have previously earned are not affected.
- To keep a plan until your chosen pension age and then use the fund to give you benefits.
- To invest for the long term, at least until you are 50 (55 from 2010) and to review your decision to remain contracted-out regularly. You don't have access to money invested in the pension fund until you start taking benefits.
- You must tell us if you wish to stop contracting-out under this plan.

#### Risks

- The value of your fund can go down as well as up.
- What you get back is not guaranteed. It will depend on investment performance and the cost of converting your pension fund into an income for life.
- The benefits you receive from contracting-out could be less than the benefits you've given up.

- The decision to contract-out, or remain contracted-out, is an individual one which will depend on your attitude to risk, your earnings, sex and age. We recommend that you regularly review this situation with your financial adviser.
- When you retire, your pension may be lower than illustrated if:
  - investment performance is lower than illustrated
  - the cost of converting your fund into an income for life is more than illustrated
  - you start taking your pension earlier than your chosen pension age
  - tax rules change
  - charges increase above those illustrated.
- The investment funds you can choose from have different levels of risk. Full details of each fund are given in 'A guide to investing in your pension'.
- If you take money out of a With-Profit Fund, we can pay you less than the quoted value of the amount you take out. We explain this further under the heading 'Where are the payments invested?'
- In certain circumstances, we may need to delay payment to you. This could, for example, be as a result of adverse market conditions or, where it would lead to the unfair treatment of other policyholders. The delay may be up to one month for most funds, or up to six months if the fund you're invested in cannot be easily converted to cash. This includes:
  - the Property Fund, or
  - a fund that's fully or partly invested in the form of land or buildingsAfter such a delay in the cancellation of units, the unit price received will be the price applicable at the end of the deferred period.

## Questions and answers

### What is the Company Pension @ Aviva?

- It's a plan for groups of people who want to save for a pension in a tax-efficient way, or contract-out of S2P. S2P replaced the State Earnings Related Pension Scheme (SERPS) on 6th April 2002.
- When you contract-out you give up the right to future retirement benefits from S2P for the years you are contracted-out.
- Each year that you choose to be contracted out, the National Insurance Contributions Office (NICO) will make a single contribution to your plan. This is instead of additional state pension benefits paid for by National Insurance contributions.
- The benefits the plan provides from these contributions are called Protected Rights.
- Only people who are employed can contract-out.
- You and your employer can make payments to this plan.

### Is this a Stakeholder Pension?

- The Government has set minimum standards that companies must meet for Stakeholder Pensions. They are to do with payment levels, costs, and terms and conditions. This plan isn't a Stakeholder Pension plan because it doesn't meet all the rules the Government has set.
- You need to know that Stakeholder Pension schemes are also available and may meet your requirements at least as well as this plan.

### How flexible is it?

- You can make one-off payments at any time. You may also make regular monthly or yearly payments. If you decide to do this you'll be given another Key Features document when you ask for an illustration. Your payments will be subject to the limits that we set.
- You may be able to transfer your pension fund from another pension scheme to this plan. If you are making a transfer into this plan, you can find more details in the 'Key features of the Company Pension @ Aviva - for payments being transferred in from another pension' document.

### What might I get when I want to retire?

- Your pension will depend on the size of your fund and the cost of converting your pension fund into an income for life.
- The size of your fund will depend on the amount of payments, how long it's invested for, the investment performance of the funds you choose and our charges.
- Your illustration gives an idea of what you might get.

### What choices will I have when I retire?

- Your Protected Rights fund will be used to buy a pension for yourself, and your husband, wife or civil partner if you die before them.
- You can use the whole of your fund to buy a pension. Or you can take part of your fund as tax-free cash and use the rest to buy a smaller pension.
- You don't have to use the whole fund at once. You can buy a pension in stages.
- You can buy a pension after age 75, but after this age lump sum payments to you or your dependants won't be allowed.
- You can take your benefits from age 50 (55 from 6 April 2010).
- You can buy your pension from us or from any pension provider.
- We'll remind you about the choices you'll have nearer to your chosen pension age.

## How much can be paid into my plan each year?

- While you are contracted-out of S2P, the NICO will direct part of your National Insurance contributions into this plan.
- You and your employer may be able to contribute to this plan. The minimum you can pay at any time is £20.
- HM Revenue & Customs sets the maximum that you can pay into the plan and still receive tax relief.
- We collect regular monthly and yearly payments by direct debit, and one-off payments by cheque. If you work for an employer, payments may be collected direct from your salary.
- You may be able to transfer your pension from another pension scheme into this plan.

## What about tax?

- Your fund will grow free of UK income and capital gains tax. Corporation tax is paid on dividends received from UK shares.
- When you come to receive your pension at retirement, you may have to pay income tax on your pension income. How much income tax you pay will depend upon your total income at that time.
- You can take up to a quarter of your fund as a tax-free cash sum.
- If you die before taking your pension, any cash sum payable may be subject to inheritance tax.
- Any statement about taxation is based on our understanding of current law and tax practice. Future changes in law and tax practice, or your own financial circumstances, could affect your pension or how much tax you have to pay.
- A financial adviser can give you more details about your tax position.

## Where are the payments invested?

- You can choose the funds you want to invest your money in.
- We invest the full amount of your contributions in the funds you choose.
- Each fund is divided into 'units' of equal value. We use your money to buy units in your chosen funds. The value of the units will rise or fall depending on the investment performance of the funds.
- Our funds are managed by our fund managers. The funds have different aims and levels of risk. More information about the funds and how many are available to you is in 'A guide to investing in your pension'.
- You can change the funds your payments are invested in. There is no charge for doing this, but we reserve the right to limit the number of changes.
- With-Profit is a type of investment that shares out fund performance of a With-Profit Fund to its investors through a system of bonuses. Further details can be found in the Customer Friendly Principles & Practices of Financial Management.
- We may apply a market value reduction if you take money out of our With-Profit Fund. This means we can pay you less than the quoted value of the amount taken out. This is most likely to happen following a large or prolonged fall in the stock markets or after a period where investment returns are regularly below the level we expect. This is explained in more detail in the 'Guide to Pensions With-Profit Investment' booklet, available on request, and 'A guide to investing in your pension'.

## What are the charges?

- We charge for managing your plan. These charges will reduce the value of your plan. We may increase our charges if the cost of managing your plan increases. Reasons would include changes in taxation, regulation, the law, and the cost of fund management. If we do this we'll tell you.
- Fund manager expenses may be charged by reducing the price of each unit in the funds. These expenses are connected with buying, selling, valuing, owning and maintaining of the assets. The yearly rate of the fund manager expense charge is updated at least once a year. The charge depends on your choice of funds. Please refer to 'A guide to investing in your pension' and Pension fund charges leaflet for details.
- If you leave your employer's plan the charges may increase.
- We will provide you with details of the charges for your plan and the effect they have on your fund.

## What other benefits can I choose?

- There are separate products you can buy for life insurance and payment protection cover, but these benefits wouldn't form part of the Company Pension @ Aviva.

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

- If you die before you start taking your pension, your Protected Rights fund must be used to buy a pension for your husband, wife or civil partner. If you don't have a husband, wife or civil partner we'll pay your fund as a cash sum.
- If you die aged 75 or over and before you start taking your pension, we can only pay a pension to your husband, wife, civil partner or dependants. Cash sums won't be allowed.
- If you've arranged your plan under a suitable trust we'll pay any cash sum to the trustees.

## Can I transfer my plan?

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

## Can I change my mind?

- You can change your mind within 30 days from the later of:
  - the day you are advised that the contract is concluded
  - the day you receive the contract.Your plan will continue if we don't receive your cancellation notice within the 30 days.
- If you decide you don't want the plan, we'll give you your money back. If you've made a single payment and the fund value has fallen, you'll get back your payment minus any fall in the investment value in this period.
- The cancellation notice will include the address you must send it to if you change your mind about your plan. Alternatively, you can contact us at the address given overleaf.

## How will I know how my plan is doing?

- We'll send you a statement each year showing the payments to your plan and the current fund value.
- You can check the current price of our investment funds by:
  - visiting our website at [aviva.co.uk](http://aviva.co.uk)
  - calling our price line on 0800 557 740

## How to contact us

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

If you would like advice, for instance about how much you should pay into your pension plan or if you are unsure whether this product is suitable to you, please speak to a financial adviser.



**0845 900 0817**

Monday to Friday 9am - 5pm\*



**helpdesk@aviva.co.uk**



**Aviva**  
PO Box 520  
Surrey Street  
Norwich  
NR1 3WG

## Other information

### How to complain

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

Aviva  
Customer Relations  
PO Box 3182  
Norwich  
NR1 3XE

Telephone number: 0800 686 800

Email: [Helpdesk@aviva.co.uk](mailto:Helpdesk@aviva.co.uk)

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

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

Telephone number: 0845 080 1800

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

This won't affect your legal rights.

## Terms and conditions

- This Key Features document gives a summary of this plan. You should also see the full terms and conditions. You may already have a copy or you can get a copy from your adviser or you can contact us direct.
- We've the right to change some of the terms and conditions. We'll write to you and explain what has changed if this affects your plan.

## Law

- The law and courts of England will apply in legal disputes and your contract will be written in English. We'll always write and speak to you in English.
- We are regulated by the Financial Services Authority (FSA) whose contact details are:  
The Financial Services Authority  
25 The North Colonnade  
Canary Wharf  
London  
E14 5HS

## Potential conflicts of interest

- Occasions can arise where Aviva plc group Companies, or their appointed officers, will have some form of interest in business which is being transacted.
- If this happens, or the Aviva Group becomes aware that its interests, or those of its officers, conflict with your interests, we will take all reasonable steps to manage that conflict of interest, in whatever manner is considered appropriate in the circumstance. This will be done in a way which ensures all customers are treated fairly and in accordance with proper standards of business.

## Client Classification

- The FSA has defined three categories of customer. You have been treated as a 'retail client', which means that you will be provided with the highest level of protection provided by the FSA rules and guidance.

## Compensation

- Qualified advisers will recommend that you buy products suitable for your needs. You've legal rights to compensation if at any time it's decided that you've bought a plan that wasn't suitable for your needs at that time.
- The Financial Services Compensation Scheme covers your plan. It'll cover you if Aviva becomes insolvent and is unable to meet its obligations under this plan. You'll normally be covered for 100% of the first £2,000 and 90% of the remainder of the value of your plan.

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