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Key features of the Company Pension @Aviva

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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 in a tax-efficient way. This will provide you with an income when you retire.

Your commitment

- To make monthly or yearly payments until your chosen pension age. Or to make at least one single payment.
- To keep the plan until your chosen pension age and then use the fund to give you benefits.
- To invest for the long term, normally until you retire and to review your payments regularly. You don't have access to money invested in the pension fund until you start taking benefits.
- To tell us about changes that might affect your plan. Full details of what you must tell us are in the 'Who can join the plan' section of 'A guide to your pension'.

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.
- When you retire, your pension may be lower than illustrated if:
  - you stop or reduce your payments
  - 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 make a single payment and then cancel the plan within 30 days, you may get back less than you've paid in.
- If you take money out of a With-Profit Fund, we can pay you less than the quoted value of the amount you take out. We explain this further under the heading 'Where are the payments invested?'
- In certain circumstances, we may need to delay 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 buildings
- After 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 people aged under 75 who want to invest in a pension in a tax-efficient way.
- It may be suitable for people who are employed or self-employed.
- Your employer can make payments to this plan.

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. Your payments will be subject to the limits that we set.
- You can increase your regular payments.
- You can reduce your payments, or stop and restart them at a later date. Reducing or stopping your payments will reduce the amount of pension you get. If you want to stop paying you can ask us for more information on how our charges might reduce your pension fund.
- You may be able to transfer your pension fund from another pension scheme to this plan. We recommend that you speak to a financial adviser before doing this to make sure this is suitable for you. 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.

Can I contract out of the State Second Pension (S2P)?

- S2P replaced the State Earnings Related Pension Scheme (SERPS) on 6 April 2002.
- You can contract out of S2P using this plan but you should seek financial advice before doing so. You can find more details in the 'Key features of the Company Pension @ Aviva - For employees who are contracting out of the State Second Pension (S2P)' document. 'A Guide to the State Second Pension and Contracting out' is also available on request.

What choices will I have when I retire?

- 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.
- If you want to take tax-free cash, you must do this before age 75.
- 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 (age 55 from 6 April 2010).
- People in some occupations, or who cannot continue working because of ill health, may be able to take a pension from this plan earlier than age 50 (55 from 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?

- The minimum amount to start this plan is £20. After that, the minimum at any time is £20.
- HM Revenue & Customs sets the maximum that you can pay into the plan and still receive tax relief.
- If you've chosen to 'contract out' of the State Second Pension (S2P), the Government will direct part of your National Insurance contributions into this plan. You can find more details in the 'Key features of the Company Pension @ Aviva - For employees who are contracting out of the State Second Pension (S2P)' document.
- Your employer can pay into this plan.
- We collect regular monthly and yearly payments by direct debit, and one-off contributions 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?

- We will only accept payments that qualify for tax relief.
- You'll get tax relief on your payments at the basic rate of tax, even if you're not a taxpayer.
- We'll claim the basic rate tax relief for you from the HM Revenue & Customs.
  - For example, if basic rate income tax is 20% and you pay £80 a month, tax relief would add £20 a month. This means that for every £80 you pay, £100 goes into your plan.
- If you're a higher rate taxpayer, you claim your extra tax relief from your tax office.
- You don't get tax relief for any money you transfer into this plan from another scheme.
- Your fund will grow free of UK income and capital gains tax. Corporation tax is paid on dividends received from UK shares.
- You can take up to a quarter of your fund as a tax-free cash sum.
- 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.
- If you die before taking your pension, any cash sum payable will normally be free of inheritance tax.
- Any statement about taxation is based on our understanding of current law and tax practice. Tax rules may change. Future changes in law and tax practice, or your own financial circumstances, could affect your 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.

- We may apply a market value reduction any time money is moved out of a With Profit Fund. This includes when we move the money as part of a Lifestyle or Phased Switching strategy. This means we can pay you less than the quoted value of the amount taken out. This is most likely to happen following a large or prolonged fall in the stock markets or after a period where investment returns are regularly below the level we expect. 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'. Further details can be found in the Customer Friendly Principles & Practices of Financial Management.

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 the buying, selling, valuing, owning and maintaining 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' 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 happens to the plan if I die before I retire?

- If you die before you start taking your pension, and before age 75, we can pay out the value of your fund as a cash sum. Alternatively we can provide a pension for your husband, wife, civil partner or dependants. If your fund includes contracted-out benefits we may have to use part or all of your fund to buy a pension.
- 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 **www.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 for 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, first write to us at the address above.
- If you're not satisfied with our response, you can contact The Pensions Advisory Service (TPAS), an organisation for assisting you and your beneficiaries in connection with any difficulties that you have failed to resolve with Aviva.

The Pensions Advisory Service
11 Belgrave Road
London
SW1V 1RB

www.pensionsadvisoryservice.org.uk

- Alternatively, you can complain to:

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

Tel: 0845 080 1800

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.

*We may monitor calls to improve our service.

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.

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.

Customer 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.

Please note that if you are taking out this plan as a business (as opposed to as a private individual), you may not have complaint referral rights to the Financial Ombudsman Service (FOS). You will not have complaint referral to FOS if your business (i) has group annual turnover of £1 million or more at the time of your complaint, (ii) a charity with annual income of £1 million or more at the time of your complaint; or (iii) a trustee of a trust which has a net value of £1 million or more at the time of your complaint.

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