keyfacts®

Standard Life

Group Additional Voluntary Contributions Plan

This is an important document. Please read it and keep for future reference.

The Financial Conduct Authority is an independent financial services regulator. It requires us, Standard Life, to give you this important information to help you to decide whether our Group Additional Voluntary Contributions Plan (GAVC) is right for you. You should read this document carefully so that you understand this product, and then keep it safe for future reference.

When we refer to 'Standard Life' we mean Standard Life Assurance Limited.

Helping you decide

This key features document will give you information on the main features, benefits and risks of Group Additional Voluntary Contributions.

Your key features document and illustration should be read together. The illustration will show you the benefits you may get in the future.

This document explains some of the features of investment-linked funds, lifestyle profiles and with-profits.

We will always be happy to answer any of your questions or give you more information but we can't give you financial advice. Our contact details can be found on page 17.

1. Its aims

- To provide a tax-efficient way to save for your retirement.
- To provide benefits for your beneficiaries on your death.
- To give you control over your investments.
- To give you choice over how and when you take your benefits.
- To provide you with a guarantee income for life (annuity) and a tax-free lump sum.

2. Your commitment

- To remain invested in the plan until you choose to take your benefits.
- You cannot cash in this plan at any time, although you can transfer it to another pension provider or registered pension scheme at any time before you start taking your benefits.
- To make at least one payment into your plan.
- To tell us if you stop being eligible to receive tax relief on your payments.
- To regularly review your plan, and the level of payments being made, to make sure you're on track to meet your retirement goals.

3. Risks

This section is designed to tell you about the key product risks to be aware of at different stages of the plan.

At the start of the plan

You will be invited to join this plan via the trustees/your employer. This plan may not be suitable for all employees, particularly where small amounts of pension savings might affect entitlement to means-tested State benefits.

If the plan is cancelled, the amount returned may be less than the amount paid in. Please see 'Can I change my mind?' on page 14.

If you transfer benefits from another pension scheme, there is no guarantee that what you will get back from the GAVC plan will be higher. You may get back less. You could also be losing money by giving up any valuable guarantees or benefits from your other pension plans that you do not have with the GAVC plan.

You will need to take advice if you are thinking about transferring a pension plan worth more than £30,000 if it offers any form of income guarantee (for example, a final salary pension). This is to ensure that you understand how much money you could lose. There is likely to be a charge for financial advice.

Please check if this will apply to any pension you are thinking of transferring.

Transferring other pension plans will not be right for everyone. You need to consider all the facts and decide if it is right for you.

Investment

Your plan may invest in different types of investment, including investments based on stocks and shares, which carry different levels of risk. The value of your plan can go down as well as up, and may be worth less than was paid in.

There are also risks involved in relying on the performance of investments within a single asset class, rather than spreading your investments over a variety of asset classes.

Before making your investment choices please make sure you read the following information, which includes details of some of the risks you should be aware of. If you're still not sure what to do, speak to a financial adviser. There's likely to be a cost for this.

- The return on each fund depends on the performance of the assets it invests in and the charges on the fund.
- The price of units depends on the value of the fund's assets after charges. This can go down as well as up, and your investment in the fund may be worth less than what was paid in.
- Some funds invest in overseas assets. This means that exchange rates and the political and economic situation in other countries can significantly affect the value of these funds.
- The asset mix that each fund invests in is continuously reviewed. It may be changed in line with developments in the relevant markets. Part of each fund may be held in cash and other money market instruments.
- You'll probably be one of many investors in each fund you choose. Sometimes, in exceptional circumstances, we may have to wait before we can transfer or switch your investments. This is to maintain fairness between those remaining in and those leaving the fund. This delay could be for up to a month.

- For some funds, the delay could be longer:
  - It may be for up to six months if it's a property based fund because property and land can take longer to sell.
  - If our fund invests in an external fund, the delay could be longer if the rules of the external fund allow this.
  - If we have to delay a transfer or switch, we will use the fund prices on the day the transaction takes place – these prices could be very different from the prices on the day you made the request.
- Some funds invest in property. The valuation of property is generally a matter of a valuer's opinion rather than fact.
- Transaction costs may apply when you switch in and out of funds. These will be taken into account in the price used to calculate the value of the funds on the day you switch and will vary depending on the type of fund. For example, a typical transaction cost for an equity fund is between 0.20% and 1.20% of the price you receive. But for property funds they can be much higher – up to 7% of the price you receive, or even higher in exceptional circumstances. This is because of the additional costs involved in buying and selling property, such as stamp duty.
- There are important differences between with-profits and other types of investment. If you're thinking of investing in with-profits read our With-Profits guide.

  You can find this at **www.standardlife.co.uk/withprofitsguides** or call us on 0800 634 7476 for your copy. Call charges will vary.

  We review volatility ratings regularly and they can change over time.

Taking retirement benefits

What you get back when you retire isn't guaranteed. Your guaranteed income for life (annuity) may be lower than illustrated. This could happen for a number of reasons, for example if:

- you stop paying into this pension plan, or take a payment break.
- payments/transfers into the plan are lower than illustrated.
- the performance of the fund(s) you have chosen is lower than illustrated.
- the cost of buying an annuity when you retire is higher than illustrated, for example due to interest rates being lower and/or people living longer.
- tax rules and legislation change.
- plan charges increase above those illustrated.
- you choose to buy your annuity at a different age from the age used in your illustration.
- for with-profits investments, your plan value is less than it otherwise would be because of discretionary adjustments.

4. Questions and answers

What is a Group Additional Voluntary Contributions (GAVC) Plan?

It is a pension plan that allows you to save in a tax-efficient way. The plan aims to let you increase the benefits you receive from your employer's occupational pension scheme on retirement.

How flexible is it?

You can make regular monthly payments into the plan. These will be taken from your salary before tax and passed on by your employer to Standard Life.

You can also make single payments at any time, and in some cases transfer your pension pot from another pension arrangement into your plan. We strongly recommend that you talk to a financial adviser if you want to make a transfer payment. There is likely to be a cost for this.

You can change the amount of your regular payments at any time, subject to:

- our minimum payment level, and
- any requirements set out by your employer

You can stop making payments at any time or take a payment break and restart them later if you are still eligible.

Reducing or stopping your payments will result in a lower plan value and future annuity. Standard Life can provide you with an illustration showing the effects of reducing or stopping your payments. We strongly recommend that you talk to your employer and a financial adviser before a final decision is made.

Am I eligible?

You are eligible if you are aged 16 or over and are currently a member of your employer's occupational pension scheme.

What alternatives are there to GAVC?

An alternative pension product may meet your needs as well as this pension plan. Your financial adviser will be able to advise which pension plan is better for you.

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

The total of your payments and any your employer decides to make must be above our minimum levels. Details of the minimum payments are available from your employer. You should also read the 'What about tax?' section on page 10 before deciding how much to pay.

Your payments will be deducted from your salary by your employer, who will then forward them to us. Your employer may also make payments to the plan on your behalf.

If you have any other pension plans, you may be able to transfer their value into this plan, but there is no guarantee that you will increase your total retirement benefits by doing so. If you are considering making a transfer, we strongly recommend that you talk to a financial adviser.

There is likely to be a cost for financial advice.

4.2 Where are the payments invested?

The trustees of your employer's occupational pension scheme have selected the investment option(s) which you can invest in. For more information, please ask your financial adviser or contact us for our booklet 'How to choose the right investment options for your pension'.

We offer a range of investment-linked funds managed by external fund managers.

We also offer a with-profits fund.

We invest 100% of each payment. Each fund is made up of 'units' and we use your payments to buy units in the fund(s) you choose.

If you choose our investment-linked funds, the price to buy or sell one unit in each fund depends on the value of investments that make up the fund. Your plan value is based on the total number of units you have in each fund. If the unit prices rise or fall, so will your plan value.

If you're thinking of investing in with-profits please read out With-Profits guide.

You can find this at: **www.standardlife.co.uk/withprofitsguides** or call us on 0800 634 7476 for a paper copy.

Our call charges will vary.

This provides information about:

- regular and final bonus
- guarantees
- unit price adjustments
- how we set with-profits payouts
- smoothing and other discretionary adjustments that can affect payouts
- our expenses
- how we invest the money backing with-profits plans

As well as offering these funds we offer investment options called lifestyle profiles.

Lifestyle profiles automatically change the funds you are invested in based on how long you've got until your selected retirement date. As you get closer to retirement, the investment aims of the profile move away from growth and towards preparing your pension plan for your selected retirement date.

This aims to reduce the impact of any changes in the value of investment markets, which could affect your future retirement benefits.

You should make sure any lifestyle profile you choose matches your plans. It's also important to consider when you'll take your retirement benefits as lifestyle profiles make changes to your investments based on your selected retirement date. As a result, they may only be suitable if you're planning to start taking your retirement benefits at your selected retirement date. If you aren't sure how and when you should take your retirement benefits, or whether a lifestyle profile is suitable for you, you should speak to a financial adviser.

You can only invest in one lifestyle profile at a time. If you invest in a lifestyle profile, you can also invest in with-profits, but you can't combine a lifestyle profile with any other investment. Read our traditional and strategic lifestyle profile guides. These detail our range of lifestyle profiles and explain how they work.

4.3 What might I get when I want to retire?

Your final plan value will depend on:

- how much is paid in
- how long the payments are invested for
- the performance of the fund(s) you have chosen
- our charges (please see 'What are the charges and discounts?' on page 11)
- any charges or fees taken for financial advice
- for with-profits investments:
  - any guaranteed payout
  - any discretionary adjustments, up or down, for example for smoothing. Discretionary adjustments won't reduce guaranteed benefits.

When can I take my benefits?

You can start taking retirement benefits from age 55 (subject to change in the future) even if you are still working. You may be able to take benefits before age 55 if you are in ill-health.

What choices might I have when I retire?

Your pension pot can provide one or more of the following benefits: a flexible income, guaranteed income for life (annuity) and one or more lump sum(s). Up to 25% of your pension pot at retirement can normally be taken tax-free. This can be as a lump sum, flexible income or as a combination of both. Benefits bought with the remaining 75% of your pot will be taxed as income.

Not all options are available under this product, please speak to the Trustee of the plan for more information.

Your options at retirement will always depend on your personal circumstances. If you want to access some of the more flexible options, you may need to move to a different pension product first. Transferring will not be right for everyone.

In the meantime, here's a quick summary of how it works.

Flexible Income (Drawdown)

Flexible income, or drawdown, gives you the freedom to choose your own level of income and the flexibility to suit your personal needs. To access this you may need to move to a different pension product which allows this option. Different charges may apply and you have to pay income tax on it, just as you would your salary.

You also need to consider the longer term impact of making withdrawals from your pension pot. As your pot stays invested, you'll have to be comfortable taking the risk that if investments don't perform well enough they might not be able to sustain the amount of income you need. As with all investments, your pension savings are subject to risk, and the value can go down as well as up. You could even run out of money altogether.

A guaranteed income for life (annuity)

Your pension pot can be used to buy a guaranteed income for life (also known as an annuity). If you're think about purchasing an annuity, you should take time to shop around for the best deal. An annuity locks you into the choices that you make, and any payments you receive will be taxed as income.

The annuity amount will depend on a number of factors at the time, for example:

- annuity rates
- your age and state of health
- life expectancy rates
- the options you choose when buying an annuity (for example, choosing an annuity that increases in payment each year, or including an annuity for a dependant when you die).

Cash

You can now take your full retirement savings as one or more lump sum(s). Normally 25% is tax free but anything over this is taxed as regular UK income.

Combining your options

You can also combine your retirement options.

Advice

We recommend you seek appropriate guidance or advice before you make any decisions. An adviser is likely to charge a fee for this.

From age 50 you can also get free impartial guidance from Pension Wise, a service from MoneyHelper.

Visit **www.moneyhelper.org.uk/pensionwise** or call 0800 138 3944.

MoneyHelper guides are also available at **www.moneyhelper.org.uk**

Pension Wise

If you want to access your retirement benefits, doing so could reduce what you can pay into the pension plan in the future without a tax charge applying.

4.4 What about tax?

We give a short explanation about tax below. For more information, please read 'Information about tax relief, limits and your pension' (GEN658).

You can find this at **www.standardlife.co.uk/taxandpensions**, or phone us for a paper copy.

Your payments are deducted from your salary after National Insurance has been calculated but before tax is calculated. For higher and additional rate taxpayers this means that they get the tax benefit immediately without having to go to HM Revenue & Customs (HMRC).

HMRC has an Annual Allowance for the total payments that you, your employer and any third party can make to all your pension plans (excluding transfer payments).

You may have to pay a tax charge on any payments that exceed this limit. If the total payments to all your plans are less than the limit in one tax year, you may be able to carry forward the unused allowance for up to three tax years.

The funds you invest in are not liable for UK Capital Gains Tax.

Tax treatments when you take your benefits

You can normally take some of your fund as a tax-free lump sum.

HMRC has a Lifetime Allowance on the total funds in pension plans that can be used to provide benefits for you.

There are circumstances where you may have a personal Lifetime Allowance that's higher.

Your beneficiaries won't normally have to pay tax on any lump sum they receive if you die before retirement.

Your annuity will be taxed in the same way as earned income.

Laws and tax rules may change in the future. The information here is based on our understanding in November 2020. Your personal circumstances and where you live in the UK also have an impact on tax treatment.

4.5 What are the charges and discounts?

We make the following charges for managing your plan:

- For investment-linked funds, a fund management charge (FMC) which is for the management of your funds and for our costs, including any commission payable. The charge varies depending on the funds you choose to invest in and is taken from your fund each day before we calculate the unit price. The current annual rate of this charge is shown on your illustration.
- Additional expenses may be deducted from some funds. They include items such as custodian, third party administration, trustee, registrar, auditor and regulator fees. Where a fund invests in other underlying funds, they may also include the underlying management charges.

  As the additional expenses relate to expenses incurred during the fund management process, they will regularly increase and decrease as a percentage of the fund, sometimes significantly.

  The additional expenses figure shown is the annual rate of the charge. But where additional expenses apply, they are taken into account when the fund's unit price is calculated each day.

If a performance fee applies to a fund, it is included in the additional expenses figure retrospectively.

- For with-profits investments there is no explicit FMC or additional expenses but when we calculate a plan's with-profits value we take account of deductions for our costs. These deductions are broadly the same as the FMC and additional expenses for investment-linked funds with similar assets. In addition, we make deductions, which may vary, for the cost of guarantees provided by with-profits business. These deductions may affect what you get back, although they will not reduce your guaranteed benefits.
- If you stop making payments early on and do not restart them, our charges could reduce your plan value by the time you retire.

Your illustration shows what you might get back in the future. It details our charges for investment-linked funds. It also shows the effect they and the deductions for costs for investment in with-profits may have on reducing the value of your personal pension over the term of your plan.

If appropriate, the charge for any extra life cover is separate from your pension payment and is included in your illustration.

If you are an existing member of a GAVC Plan on which we reduced the number of charges on 25 February 2002, 'value for money discounts' may apply. Where these apply they will be reflected in your illustration.

We'll continue to take charges each year even if you stop making payments. This could mean that if you stop making payments and don't restart them, our charges could reduce your plan value by the time you retire.

Changing the funds in which your plan is invested is known as 'switching'. We will not normally make a charge for switching funds; however, we reserve the right to charge for switches. We reserve the right to charge if a switch involves an externally managed fund and the manager charges us for the switch. We also reserve the right to make a charge when more than 20 switches are made in any 12 month period.

We regularly review our charges and may alter them to reflect changes in our overall costs, or assumptions. Any increases will be fair and reasonable.

Deductions for with-profits guarantees may increase if our assessment of the cost increases.

Please note that commission is only payable if the group scheme was established on a commission basis and no individual advice is being given or an employer agreement was in place before 31 December 2012.

4.6 What about commission?

The section 'How much will the advice cost?'/'How much commission will the Financial Adviser receive?' in your illustration will state whether commission is to be paid to your employer's adviser. It will show the amount of any commission to be paid and will also show how the commission is to be paid. It can be paid in the following ways:

- as a lump sum immediately
- as a percentage of each payment you make
- as a percentage of the value of your fund each month

Your illustration will also show, in the section 'What are the charges?', whether special commission terms apply. If your employer's adviser has reduced their level of commission entitlement under the agreements for the scheme, we will add extra units to your fund each month and the amount will be shown in your illustration. Alternatively, in return for the level of service provided by your employer's adviser there may be an additional charge which means that we'll cancel units in your fund each month and this amount will also be shown in your illustration.

4.7 Other important questions

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

We will normally pay out your pension pot to your beneficiaries inheritance tax-free.

- If you die before age 75, this will normally be free of income tax.
- If you die after age 75, this will normally be taxed as income at the beneficiary's marginal rate.

What happens if I change job?

If you stop working or move to a new job with another employer, or leave your employer's occupational pension plan, no further payments can be accepted. Your plan will, however, remain invested until retirement if no transfer payment is made. We'll continue to take charges each year which could reduce your plan value by the time you retire. Any additional life cover included in your plan will cease. The benefits payable are subject to the rules of your existing employer's occupational pension plan.

What other benefits can I choose?

You can choose to buy extra life cover to increase the amount your plan pays out if you die before you start taking your annuity. This extra life cover can be used to provide your dependants with an added lump sum and/or annuity in the event of your death before retirement.

The scheme trustees or your employer can ask us to provide life cover to increase the amount your plan pays out if you die before you retire.

- Life cover is paid for by making extra monthly or yearly payments
- If you are joining a scheme that we changed the charging structure of from 25 February 2002 you may also have the option of paying for your life cover by cancellation of units from your fund each month

The cost of life cover depends on how much you choose to buy and your age and health.

When you apply for life cover you may have to answer some questions on your health and we may also contact your doctor for a report.

If you stop paying into your plan your life cover will also stop.

Your life cover must stop if you remain in service with your employer after your normal retirement date. No life cover is payable if you die on or after your 75th birthday.

Can I transfer my plan?

You can transfer your plan to another pension provider or registered pension scheme at any time before you start taking your retirement benefits. We make no transfer charge. However, to ensure fairness, we may reduce the unit price for any with-profits investments that you have.

Your illustration gives examples of how much you could transfer to another plan depending on when you transfer.

You cannot cash in your plan at any time.

Can I change my mind?

The Trustees of the plan have a legal right to cancel the contract. They have a 30 day period to consider if they want to change their minds. This 30 day period starts from the date they receive the plan documents. During this period, if they decide to cancel, they should write to us at the address shown in the 'How to contact us' section on page 17, instructing us to cancel the contract, or call us on **0345 60 60 086.**

If you change your mind after your application has been accepted you should discuss this immediately with your employer/ the Trustees in the first instance.

If the plan is started with a single payment and cancelled during the 30 day period, the amount returned may be less than the amount paid in. This is because we may make a deduction to reflect any market loss we have experienced between the date we received the payment and the date we received the instruction to cancel.

If the plan is cancelled, and we have already received payments, we will refund the payments to the person who made them.

Please note, for regular payments, it is only the initial payment that will have cancellation rights. If you decide to increase the level of payment in the future there is no right to cancel that increase.

At the end of the 30 day period the Trustees will be bound by the terms and conditions of the plan and any money received by Standard Life will not be refundable under the cancellation rule.

How will I know how my plan is doing?

You may be able to register at our website – **www.standardlife.co.uk** – to see your plan details including the current value. We will send you a yearly statement to show you how your plan is doing.

You can also get an up-to-date valuation at any time by calling our customer helpline.

5. Other information

How to complain

We have a leaflet that summarises our complaint handling procedures. If you'd like a copy please ask us.

If you ever need to complain please phone us on **0345 60 60 086** (call charges will vary). If you are not satisfied with our response, you may be able to complain to:

The Financial Ombudsman Service
Exchange Tower
London E14 9SR

Telephone: **0800 023 4567**
Fax: **020 7964 1001**

Online: **www.financial-ombudsman.org.uk/contact-us/**

Complaining to the Ombudsman will not affect your legal rights.

Terms and conditions

This Key Features Document gives a summary of Standard Life's Group Additional Voluntary Contributions Plan and therefore is not contractual. It does not include all the definitions, exclusions, terms and conditions, which are given in the Policy Provisions booklet. For a copy of this booklet, please ask your financial adviser or contact us directly.

We have the right to change some of the terms and conditions. We'll write to you and explain if this happens.

Law

In legal disputes the applicable law will usually be the law of the country where the trustees are based.

Language

The English language will be used in all documents and future correspondence.

Compensation

The Financial Services Compensation Scheme (FSCS), established under the Financial Services and Markets Act 2000, has been set up to provide protection to consumers if authorised financial services firms are unable, or likely to be unable, to meet claims against them.

Your plan is classed as a long term contract of insurance. You will be eligible for compensation under the FSCS if Standard Life Assurance Limited (SLAL) becomes unable to meet its claims and the cover is 100% of the value of your claim.

If you choose one of our funds that invests in a mutual fund run by another firm (including Aberdeen Standard Investments Limited), SLAL is not eligible to claim compensation under the FSCS if that firm is unable to meet its claims.

The price of a unit in our fund will depend on the amount that we recover from the firm. However your funds will be protected by the requirement for the fund manager to appoint a depository and custodian. One of the primary functions of the custodian is the safekeeping of securities and cash in deposit accounts, held in the name of the depositary.

This has the effect of segregating the funds from the fund manager's own monies and effectively protects the clients investments should the fund manager become insolvent. For the investor this means that the only time they would need to look to the FSCS for compensation would be in the event of the fund manager acting dishonestly, fraudulently or negligently.

If you choose one of our funds that invests in a fund run by another insurer, SLAL is not eligible to claim compensation under the FSCS if that insurer is unable to meet its claims.

Again there is a requirement for that insurer to appoint a depository and custodian which should help to mitigate any risk.

For further information on the compensation available under the FSCS, please check their website **www.fscs.org.uk** or call the FSCS on **0800 678 1100** or **020 7741 4100**. Please note only compensation queries should be directed to the FSCS.

If you have any further questions, you can speak to your financial adviser or contact us directly.

You can also find more information at **www.standardlife.co.uk/investor-protection**

Solvency and financial condition report (SFCR)

The Solvency II directive is a European (EU) directive for insurance companies. Among the requirements are that companies produce a publication of a SFCR, to assist policyholders and other stakeholders to understand the capital position under Solvency II. Further information and details of the report can be found at: **www.thephoenixgroup.com/investor-relations/solvency-and-financial-condition-report**

6. How to contact us

Remember, your employer and/or financial adviser will normally be your first point of contact.

If you have any questions or would like to make any changes to your plan, you can phone or write to us.

Phone: **0345 60 60 086**

Call charges will vary.

Standard Life
Standard Life House
30 Lothian Road
Edinburgh
EH1 2DH

7. About Standard Life

Standard Life Assurance Limited's product range includes pensions and investments.

Standard Life Assurance Limited is on the Financial Services Register. The registration number is 439567.

Standard Life Assurance Limited is registered in Scotland (SC286833) at Standard Life House,
30 Lothian Road, Edinburgh, EH1 2DH.

Standard Life Assurance Limited is authorised by the Prudential Regulation Authority
and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.
www.standardlife.co.uk