

**For customers** | Aegon Retirement Choices

# Terms and conditions

**Effective as at 18 July 2023**

If your personal circumstances mean you need any additional support, or if you'd like a large print, braille or audio CD version of this document, please call 0345 680 123 (call charges will vary) or visit **[aegon.co.uk/support](https://aegon.co.uk/support)**

# Welcome to Aegon Retirement Choices

In this booklet, you will find the Aegon Retirement Choices (ARC) Terms and conditions and the ARC Insured Fund Policy, which along with your:

- application(s);
  - declaration(s); and
  - first Contract note, or for SIPP Confirmation of investment – contract note, that we send you
- form your contract with us for the Aegon Retirement Choices service.

ARC provides you with a range of product wrappers, and investment choices within your product wrappers. This booklet also includes the basic scheme information for the SIPP.

This booklet is made up of the following parts:

## **Part 1:**

### **ARC Terms and conditions** 03-82

This part details the Terms and conditions that apply to all the Aegon Retirement Choices product wrappers, provided by Aegon Investment Solutions Ltd and Scottish Equitable plc.

## **Part 2:**

### **ARC Insured Funds Policy** 83-108

This part details the conditions for the policy of insurance which apply where you open a SIPP and invest in insured funds, provided by Scottish Equitable plc.

## **Part 3:**

### **Basic scheme information for the SIPP** 109-116

We give you basic scheme information in connection with the SIPP.

This gives you information about the scheme under which your SIPP is provided by Scottish Equitable plc.

## Part 1:

# ARC Terms and conditions

This part details the Terms and conditions that apply to all the Aegon Retirement Choices product wrappers, provided by Aegon Investment Solutions Ltd and Scottish Equitable plc.

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# 1 Introduction

## 1.1 Purpose of this document

By opening a **product wrapper**, you have applied for use of the Aegon Retirement Choices service provided by **us**. This booklet contains the Aegon Retirement Choices Terms and conditions for the use of **the Service** for each **product wrapper**. In addition to these Terms and conditions, **you** should also read other documents such as:

- the key features;
- your illustration;
- Key investor information document(s);
- Charges guide;
- **Aegon UK Retail Order Execution Policy**;
- **Confirmation of application**, and
- Contract note or for **SIPP**, Confirmation of investment – contract note.

Words in **bold** are defined terms that are explained in the 'Definitions' section. ARC documents as well as any other documents are available from your **adviser** or through **the Service**.

## 1.2 The role of Aegon

We provide **the Service** to **you**. This is mainly an online service that is used to manage **product wrappers**. Aegon Investment Solutions provides the **General Investment Account (GIA)** and the Individual Savings Account (**ISA**). Scottish Equitable plc provides the Self Invested Personal Pension (**SIPP**). If **we** agree, the **GIA we** provide can also be available for use through a product, such as an offshore bond or a **SIPP**, with **another provider**.

**Aegon** reserves the right to change the provider of your **ISA** and **GIA** to another suitably regulated Aegon **GIA** provider or **Aegon ISA Manager**. **You** agree that **we** have this right provided that **we** give you sufficient notification and in the case of **your ISA** comply with the requirements

of the **ISA Regulations** for transfers and bulk transfers. **You** also agree that any direct debits **you** have in place with the original product provider can be transferred to the new provider.

**We** do not give any advice in relation to **your product wrappers**, using **the Service**, or any **investments** that **you** hold with in **your product wrappers**. The fact that particular **product wrappers**, investments, investment planning tools, or any other features are made available does not constitute advice or imply that they are suitable for **you**. **You** should always seek suitable advice before purchasing a **product wrapper**, using **the Service**, and investing. If **you** need to find a new **adviser**, **you** can do this online at <https://maps.org.uk/moneyhelper/>

# 2 Definitions

## General items to note

Where we use the masculine form of a word, it also includes the feminine. The opposite also applies.

Words in the singular include the plural. The opposite also applies.

Where we refer to a piece of legislation, we also refer to any amendment or re-enactment of the legislation. We also refer to any regulations made under the legislation, and that includes any corresponding provisions in force in Northern Ireland.

All references to a clause of these Terms and conditions are references to a clause in the general section unless stated otherwise.

**Accidental death** – means **your** death, within the 72 hours following an accidental bodily injury, resulting solely and independently from causes not related to or contributed to by any illness, disease or physical disorder that you were aware of at the **start date**.

**Accidental death benefit** – means the lump sum payable on **your** death as set out in clause 16.6 of section C.

No **accidental death benefit** will be payable in respect of a **SIPP** with a **start date** of 20 March 2018 or later.

**Additional permitted subscription** – means a type of subscription available to an individual with an **additional permitted subscription allowance**.

**Additional permitted subscription allowance** – means an additional allowance over and above the normal **ISA** subscription limit available to the surviving spouse or registered civil partner of an **ISA** investor where certain other conditions are met. The amount of this additional allowance depends on when the surviving spouse or registered civil partner starts to use the additional allowance as set out in the **ISA Regulations**.

Where the surviving spouse or registered civil partner starts to use the allowance during the period that tax benefits still apply to the **ISA**, the additional allowance will be based on the value of the deceased investor's **ISA** holdings with an **ISA** manager as at the date of their death. Where the surviving spouse or registered civil partner starts to use the additional allowance after the end of the period that the tax benefits apply, the additional allowance will be the higher of the value of the **ISA** at the date of the **ISA** investor's death, or the point the **ISA** ceased to be a continuing account of a deceased investor if the investor died on or after 6 April 2018, and the value of the **ISA** at the end of the period that the tax benefits apply to the account. If the deceased investor held **ISAs** with more than one **ISA** manager as at the date of their death, provided all the necessary conditions are met, the surviving spouse or registered civil partner will have one additional permitted subscription allowance in relation to each of those **ISA** managers.

**Adviser** – means the financial adviser, who may be an individual or a firm, through which **you** open **product wrappers**, access **the Service**, and transact **investments**, and who **you** can remunerate in the form of **adviser charge**

through the **product wrappers** **you** hold. **Your adviser** must be registered with **us** and have appropriate **FCA** authorisation either directly with the **FCA** or by virtue of being part of a **network**.

**Adviser charge** – means money that **you** agree to pay to **your adviser** through **your product wrappers**. This is more fully described in 10.4.

**Adviser discount** – means a discount to **your** annual charge which applies where **we** have reached an agreement with **your adviser** who is not part of a **network** to discount **your** annual charge.

**Adviser terms of business** – means the **adviser** terms of business that **your adviser** must agree with **us** before **we** will allow them to use **the Service**.

**Aegon, we, us, our, ourselves** – means Aegon Investment Solutions Limited, in relation to the **ISA** and **GIA** and in relation to the **SIPP** means Scottish Equitable plc.

**Aegon default fund** – means the **investment** chosen by **Aegon** that any **contribution** to **your SIPP** that was provided through **your employer**, and that **you** have not given an investment instruction for, will be invested in. This will only apply where **your employer** or the **scheme adviser** has not chosen a **default fund** for **your SIPP**. This is more fully described in clause 4 of section C.

**Aegon UK Retail Order Execution Policy** – means the policy maintained by **Aegon**, which describes the way in which **we** will manage and handle orders to ensure the fair treatment of all clients. **You** can find a copy of the policy on **our** website.

**Aggregated trading** – means the trading of certain investments, where all instructions at a certain time from all **clients** using **the Service** are added together into a single trade for a particular investment. This is more fully described in 7.8.

**Annual allowance** – means the limit, set by HMRC, of tax advantaged contributions or increase in value of a person's pension rights in a pension input period. For this

purpose, all of the person's pension arrangements are taken into account. **Contributions** or increases in pension rights in excess of this allowance will give rise to a tax charge. A reduced money purchase annual allowance may apply to **you** for certain purposes in certain circumstances.

**Another provider** – means any provider of a financial product that uses that financial product to purchase a **GIA**.

**Benefit crystallisation event** – means an event or occurrence at which **we** must test **your SIPP** benefits against the **lifetime allowance**. The events and occurrences on which this must happen are set out in legislation. The amount which must be tested against **your lifetime allowance** is also determined by legislation.

**Block transfer** – means the transfer in a single transaction of all the investments held under the pension scheme from which the transfer is made, which relate to at least two members of that pension scheme and which meets other conditions set out in legislation.

**Business day** – means any full day on which banks, investment managers and the London Stock Exchange (LSE) are open for business.

**Capped drawdown** – means a **drawdown pension** arrangement set up before 6 April 2015 withdrawals from which are subject to certain limits and is not a **flexible drawdown** arrangement, and is described in paragraphs 8 and 22 of schedule 28 to the Finance Act 2004.

**Cash facility** – means the untraded cash account that is set up for and within each **product wrapper** for the movement of money to and from, and within, a **product wrapper**. This is more fully described in 5.3 and 5.4.

**Client, you, your** – means the individual, corporate or other entity in whose name the **client profile** is held. If **you** have a **SIPP**, and following **your** death, a **survivor** chooses to set up a **drawdown pension** under clause 18 of section C, **you/your** refers to that **survivor**.

**Client money rules** – means the **FCA** rules regarding client money and assets, and are detailed in the Client Assets sourcebook, part of the **FCA Handbook**.

**Client profile** – means an account that details **your product wrappers**. **You** can have more than one such account with each account being treated separately for the purposes of these Terms and conditions.

**Collectives** – means collective investment schemes, which are arrangements that enable a number of investors to 'pool' their assets and have these professionally managed by an independent manager. Collective investment schemes come in a number of forms, the main ones being authorised unit trusts, open-ended investment companies and unauthorised unit trusts.

**Confirmation of application** – means the document **we** sent to **you** that records the details **we** used to set up **your product wrapper** and the terms of the declarations made by **you**.

**Consolidated natural income** – means the **income we** receive and pay to **you** each month, subject to the minimum payment amount set out in clause 8.3.2.3.

**Contribution** – means any payment by **you** or a third party or **your** employer (where allowed) into a **product wrapper** and includes subscriptions to **your ISA**.

**Contribution** does not include a transfer into a **product wrapper**.

**Crystallise** – is what happens to **your SIPP investments** on certain **benefit crystallisation events**. It can apply to different parts of **your SIPP** at different times. This is more fully described in clause 9 of section C.

**Crystallised** – means that part of **your SIPP** that has been through a **benefit crystallisation event** that has resulted in **your SIPP** crystallising.

**Dealing point** – means the point at which all deals for a particular **investment** are aggregated by **us**. **Our** dealing point will

be in advance of the **investment provider's/fund manager's** valuation point to make sure all transactions are completed. The **investment's** valuation point is set by the **investment provider/fund manager** and is detailed in the **investment's** key fund documentation.

**Default fund** – means the **investment** that any contribution into **your SIPP** that was provided through **your employer**, and that **you** have not given an investment instruction for, will be invested in and, where applicable, includes the **Aegon default fund**. This is more fully described in clause 4 of section C.

**Dependant** – means in relation to the **scheme** a dependant as defined in the **rules** and paragraph 15 of Schedule 28 of the Finance Act 2004 which, at the date of issue of these Terms and conditions, means any of the following:

and includes:

- a** a person who was married to, or a registered civil partner of the **member** at the date of the **member's** death;
- b** if the rules so provide – and they do so provide but only for the purposes of a dependant's annuity and subject to such further conditions as the scheme administrator of the **scheme** may require from time to time either individually or as a matter of policy – a person who was married to, or a registered civil partner of the **member** when the **member** first became entitled to a pension under the **scheme**;
- c** a dependent child (as defined in the **rules**); or
- d** an other dependant (as defined in the **rules**),

and includes any person who was (as so defined) a dependant under any other **registered pension scheme** and whose entitlements in that capacity have been transferred to the **scheme** by virtue of his or her becoming a survivor member (as defined in the **rules**).

**Discretionary fund manager** – means an appropriately **FCA** authorised manager that has entered into an agreement with us and **you** and/or **your adviser** to manage **your investments** on **your** behalf.

**Discretionary investment manager charge** – means the charge that **we** deduct from **your product wrapper** and pay to **your discretionary fund manager**. This is more fully described in 10.4.9.

**Distance contract** – is defined by the **FCA** and is a contract which makes exclusive use of one or more means of distance communication (where there is no simultaneous physical presence) up to and including the time at which the contract is concluded.

**Drawdown pension** – means a drawdown pension as set out in paragraph 4 of part 1 of schedule 28 to the Finance Act 2004. Broadly speaking, it is the payment of a pension directly from the funds in **your SIPP**. This can be **capped drawdown** or a **flexi-access drawdown**.

**Eligible Aegon pension products** – means any eligible pension contract, within the Aegon Group that **you** are entitled to the benefits of.

**Employer** – means the person (including a company or other legal entity) that employs **you** and through whom **you** are given initial access to **the Service**, it also includes any subsequent person that employs **you** and who offers access to **the Service**. Once **you** have access to **the Service**, this will continue even if **you** leave the employer that gave **you** access (as detailed in 7.3).

**Equity** – means individual shares that can be traded publicly on a regulated market, for example the London Stock Exchange.

**Equity trading** – is the service by which **we** facilitate the purchase or sale of **equities** within **product wrappers**.

**Exchange traded fund** – means an investment fund, tracking an index, sector or commodity that is traded on a stock exchange.

**FCA** – means the Financial Conduct Authority and any replacement of it.

**Flexi-access drawdown** – means a new **drawdown pension** arrangement set up on or after 6 April 2015; a **flexible drawdown** arrangement that was converted as detailed in clause 14 of section C; or a **capped drawdown** arrangement which has either been converted to flexi-access drawdown following our acceptance of your request to that effect or has become a flexi-access drawdown arrangement through an error that cannot be rectified. Flexi-access drawdown is detailed in paragraphs 8A and 22A of schedule 28 to the Finance Act 2004.

**Flexible drawdown** – means a **drawdown pension** that was set up prior to 6 April 2015 but without any limit on the amount which can be withdrawn each year.

**Forced disinvestment** – means that **we** will sell **investments** without **your** instruction, for example in order to maintain sufficient cash within your **cash facility** or to meet payments out.

**Force majeure events** – means any of the following and their effects: riot, civil unrest, commotion or rebellion, war or civil war (whether or not declared) or armed conflict, invasion and acts of foreign enemies, blockades, embargoes (including as to trade), any act (or credible threat) of terrorism, acts of government, local authority or regulatory body, explosion or fire, earthquake, extraordinary storm, flood, abnormal weather conditions or other natural catastrophe, any nuclear, chemical or biological contamination or any strikes, lock-outs or other industrial disputes (other than to the extent involving the workforce or other personnel of us).

In each case to the extent that such event is beyond the reasonable control of the party affected and has materially affected the ability of that party relying on the force majeure event to perform its obligations in accordance with these

Terms and conditions. It always excludes any such event insofar as it arises from or is attributable to the wilful act, omission or negligence of that party or the failure on their part to take reasonable precautions to prevent such force majeure event or its impact.

**Fund manager** – means the individual responsible for making decisions related to a portfolio of collective investments, in accordance with the stated goals of the fund.

**Gate** – means the level of access that **you** have been given by **your adviser** or **employer** allowing **you** to apply for certain **product wrappers** and buy and sell certain **investments** as more fully described in 7.3.

**General Investment Account (GIA)** – means an account provided by **us** that allows you to buy and sell **investments**. There are no specific tax benefits to such an account and the **investments** are treated as owned by **you** for tax purposes.

**HMRC** – means HM Revenue & Customs and any replacement of it.

**Income** – means the income generated from **your investments** including income in the form of distributions and dividends, however it does not include any additional units which may be allocated to **your product wrapper** or bank interest paid on any cash balance in **your cash facility**. Income is not guaranteed and the amount will vary each year. **Your investments** may pay income at different times in the year.

**Indemnify** – means being responsible to compensate for any loss, expenses or damage or one or more of these, caused and to provide financial reimbursement for this.

**Investment providers** – means providers of the **investments** made available through **the Service**.

**Investments** – means any assets that **we** make available for **you** to invest in through **your product wrappers** and includes cash in the **cash facility**.

**Investment list** – means the list of all **investments** available through **the Service**, **your adviser** can give you more information.

**Investment trust** – means a public listed company with a fixed number of shares for collective investment which complies with certain HMRC requirements in relation to investment and distribution of profits.

**Investment trust trading** – means the service by which **we** facilitate the purchase or sale of **investment trusts**.

**ISA** – means the Individual Savings Account as regulated by **HMRC** and provided by **us**. We only offer Stocks and Shares ISA and this is more fully described in section B.

**ISA Regulations** – means the Individual Savings Account Regulations 1998 (SI 1998 No. 1870).

**Joint life** – means the person that **you** nominate to receive **your Secure retirement income account** after **you** die with the option to continue income at the joint life income proportion rate, confirmed in **your** 'Confirmation of your Secure retirement income investment' statement, and based on **your** income rate whatever the value of **your Secure retirement income account**.

**Legal Entity Identifier** – means the 20-character alphanumeric code assigned to uniquely identify a legal entity that is a counterparty to a financial transaction.

**Lifetime allowance** – means the overall limit on the value of tax-privileged savings that any one individual can have under all of their **registered pension schemes** throughout their life. Benefits paid in excess of the allowance may be liable to a tax charge as described in section 214 of the Finance Act 2004. For the avoidance of doubt, this includes any personal lifetime allowance under the Finance Act 2004.

**Member** – means the member named in **your Confirmation of application**. **Model portfolio** – means a pre-selected portfolio of **investments** put together by either an **adviser** or **discretionary fund manager**. The portfolio can be selected by an **adviser** for any number of **clients**. The **client's** holdings can be amended automatically to reflect any changes to the **model portfolio**.

**Money Laundering Regulations** – means the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 as amended by the The Money Laundering and Terrorist Financing (Amendment) Regulations 2019.

**Network discount** – means a discount to **your** annual charge which applies where **your adviser** is part of a **network** where **we** have reached an agreement with that **network** to discount **your** annual charge.

**Network** – means a grouping of financial advisers which is authorised by the **FCA**.

**Natural Person's Unique Identifier (NPUI)** – means a unique code which identifies an individual and is based on nationality.

**Nominated bank account** – means the bank or building society account in **your** name that **you** have nominated to use on **the Service** for a particular purpose. This must be a UK bank or building society account. For example, **you** may have nominated one bank account to make payments to a **product wrapper** and one to which payments are made from a **product wrapper**, or a single account for both.

**Nominee Company** – means the company or companies used by **us** to hold **your investments** in safe custody. Unless stated otherwise in these Terms and conditions or in relation to any particular **investment**, **your investments** will be registered in the name of one of **our nominee companies** relevant to the **product wrapper(s)** **you** hold. These are more fully described in 7.1.

**Non-UCITS retail scheme** – means an investment company with variable capital or an authorised unit trust, which is neither a **UCITS** or a qualified investor scheme (which is an investment company with variable capital or an authorised unit trust designated as such by its constitution).

**Pension commencement lump sum** – means the lump sum **you** can take from a part of **your SIPP** when **you** first start taking pension benefits from that part of **your SIPP**. If it satisfies certain conditions, this lump sum can be paid free of income tax. The conditions are set out in Paragraphs 1 to 3A of Schedule 29 of the Finance Act 2004.

**Permitted period** – means the period, as set out in the **ISA Regulations** during which **additional permitted allowance subscriptions** can be made to the **ISA**. Where the additional permitted allowance subscription is in the form of non-cash assets (described further in 7.2 of section B), the period is 180 days from when the **investments** are distributed to **you** from **your** deceased spouse's or registered civil partner's estate. Where the **additional permitted allowance subscription** is in the form of cash, the period runs from the date of **your** deceased spouse's or registered civil partner's death and ends on whichever is the later of the day three years after the start date and 180 days after the administration of your deceased spouse's or registered civil partner's estate is complete.

**PRA** – means the Prudential Regulation Authority and any replacement of it.

**Product wrapper** – means a specific product provided by **us** being a **GIA**, an **ISA** or a **SIPP**, within which **you** can buy, sell and hold a variety of available **investments** and cash and to which these Terms and conditions apply. **You** can receive some form of tax relief, this will depend on **your** personal circumstances and the type of **product wrapper** being chosen. **You** can have more than one type of **product wrapper**, and more than one of each type.

**QROPS** – means a Qualifying Recognised Overseas Pension Scheme.

**Recognised UCITS** – a UCITS recognised by the **FCA** in accordance with the Financial Services and Markets Act 2000.

**Registered pension scheme** – is as defined in the rules.

**Regular contribution** – means the payment of a **contribution** on a regular basis. This payment will be into the **cash facility** of a **product wrapper** using a Direct Debit instruction.

**Regular withdrawal** – means regular periodic withdrawal from funds within the **cash facility** of a **product wrapper**.

**Regular withdrawals** may be made monthly, quarterly or yearly. There may be restrictions on how much you can withdraw from **your SIPP**, **your adviser** will provide **you** with details of these.

**Relevant UK earnings** – means earnings as defined in Section 189 of the Finance Act 2004. It includes:

- employment income such as salary, wages, bonus, overtime and commission providing it is chargeable to tax;
- income derived from the carrying on or exercise of a trade, profession or vocation that is chargeable to tax;
- income arising from patent rights and treated as earned income, and
- general earnings from an overseas Crown employment which are subject to tax.

Where relevant UK earnings are not taxable in the United Kingdom due to a double taxation agreement, those earnings are not regarded as chargeable to income tax and so will not count towards the annual limit for tax relief on pension savings.

**Relevant UK individual** – is defined in section 189 of the Finance Act 2004 with further details set out in clause 2.3 of section C.

**Re-registration** – means the process of transferring existing **investments**, such as **equities**, unit trusts or open-ended investment companies (OEICs) to or from a **product wrapper** without selling or buying.

**Retirement age** – means that date specified in line with clause 1.5 of section C.

**Retirement benefits** – means any one or more of **pension commencement lump sum**, **drawdown pension** or any annuity purchased by your **SIPP**. This is more fully described in section C.

**Rules** – means the trust deed and rules that govern the **scheme**, as amended from time to time.

**Scheme** – means the Aegon Self Invested Personal Pension Scheme established by a Declaration of Trust executed by Scottish Equitable plc on 30 September 2011.

**Scheme adviser** – means the person who advises **your employer**.

**Secure retirement income** – is an option under the ARC Insured Funds Policy that provides for:

- a secure level of income for **your** life with a guaranteed minimum death benefit; or
- a secure level of income for **your** life with no guaranteed minimum death benefit, or
- a secure level of income for **your** life continuing to a joint life on your death.

**Settlement** – means the process of selling or transferring ownership of **investments**.

**Settlement proceeds** – means the cash or other **investments** received as a result of the sale or transfer of ownership of **investments**.

**SIPP** – means the self-invested personal pension provided by **us**. A self-invested personal pension is a specific type of UK personal pension that offers customers a wide choice of assets in which to invest, as opposed to just a selection of insured funds.

**Start date** – means the date that **you** took out **your SIPP** and is the date stated on **your Confirmation of application**.

**Structured product** – means any investment vehicle where a minimum return is linked to performance of a market index or set of assets, typically with some form of guarantee. Structured products are not currently open to new business.

**Survivor** – means in relation to a deceased **member** any person who in the opinion of the scheme administrator of the **scheme** is a dependant, nominee or successor of that **member** as described in the **rules**.

**The Service** – means the service **we** provide for **you** and **your adviser** to manage **your investments** within **your product wrappers**; it may also include other services that **we** provide within, or related to, **your product wrappers**.

**UCITS** – means undertakings for collective investment in transferable securities.

**UFPLS** – means an uncrystallised funds pension lump sum as detailed in paragraph 4A of schedule 29 to the Finance Act 2004.

**UK tax resident** – means a person considered to be a UK tax resident as defined by **HMRC**, as available on its website.

**UK UCITS** – means a collective investment scheme authorised under section 31 of the Financial Services and Markets Act 2000 that complies with the requirements to be a 'UCITS scheme' as set out by the FCA.

**Uncrystallised** – means the part of **your SIPP** that has not been through a **benefit crystallisation event**.

**Uncrystallised funds lump sum death benefit** – means any lump sum that is payable from **your SIPP** on your death from benefits that are **uncrystallised**.

**US** – means all states, territories or possessions of the United States of America and the District of Columbia.

**US Person** means –

- a. For an individual, one or more of the following:-
  - a **US** citizen;
  - a **US** national (including dual nationals);
  - a Green card holder;
  - a **US** taxpayer, and
  - a **US** resident.
- b. For a trust or corporate customer of a **GIA**:-
  - any partnership or corporation organised or incorporated under the laws of the **US** (other than agencies or branches of such entities located outside of the **US** that are operated for valid business reasons, engaged in banking or insurance and subject to substantive banking or insurance regulation in the jurisdiction where located);
  - any estate of which any executor or administrator is a **US** person (unless investment discretion is solely, or shared, with an executor or administrator that is a non-**US** person and the estate is governed by non-**US** law);
  - any trust of which any trustee is a **US** person (unless investment discretion is solely, or shared, with a trustee that is a non-**US** person and no beneficiary of the trust is a **US** person);
  - any agency or branch of a foreign entity located in the **US**;
  - any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a **US** person;
  - any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the **US** (unless the account is held for the benefit or account of a non-**US** person);

- any partnership or corporation organised or incorporated under the laws of any non-**US** jurisdiction if formed by a **US** person principally for the purpose of investing in securities not registered under the **US** Securities Act of 1933.

These bullets exclude any employee benefit plan set up and administered under the law of a country other than the **US**, so would exclude any **SIPP** cases.

### **3 General information**

#### **3.1 Client classification**

Our policy is to treat all **clients** as retail clients in line with the rules of the **FCA**, however **you** may be treated as a professional client or an eligible counterparty by third parties. In such circumstances **you** may not be eligible for compensation as described in clause 7.1.8, or have access to the Financial Ombudsman Service and the Pensions Ombudsman as described in clause 9.4.3 and 9.4.4 respectively.

**We** do not offer **you** the option to select a different client classification.

**You** should also note that in some circumstances, particularly with regards to **investments**, **investment providers** may deem **Aegon** to be a professional client when buying or selling **investments** on **your** behalf. Therefore, the level of protection available to **you** may be less than had **you** purchased the **investment** directly from the **investment provider**.

#### **3.2 Residency**

For individuals **we** will only accept business from individuals who are habitually resident in the UK. **We** cannot accept an application for business from a **US Person** or any other person who is not habitually resident in the UK. **You** must tell us immediately if **you** become a **US Person** after taking out a **product wrapper**. **We** need to know if **you** are a **US Person** because of the warranties and declarations **we** need to give to **investment providers** to be able to make their assets available to **you** on the **service**.

**You or your adviser** must immediately notify **us** if **you** become a **US Person** or of any change in **your** residency, tax status, citizenship or domicile.

On becoming a **US Person** or if **you** change **your** residency, tax status, citizenship or domicile **we** reserve the right to suspend certain transactions. This might limit **your** ability to make additional **contributions**, buy/sell **investments** and make withdrawals.

**We** may be required to dispose of **investments you** hold due to **you** becoming a **US Person** or a change in **your** residency, tax status, citizenship or domicile and **we** reserve the right to do this without reference to **you**.

If **you** need more information about how taxation, residency and related regulations may apply to **your** circumstances, please speak to an adviser.

**We** reserve the right to terminate **your product wrapper** under 11, following written notice given by **us**, if **you** no longer reside in the UK or **we** discover that **you** did not tell **us** of this change. Where this is the case, **we** will give three months' written notice to **you** before termination.

### **3.3 Appointment and change of an adviser**

**You** can apply for a **product wrapper** either through **your adviser**, **your employer**, or directly if **you** are already using **the Service** and have access to do so at the correct **gate**. If **you** are using an **adviser** to apply for a **product wrapper**, **your adviser** must be authorised by the **FCA** and have agreed to **our adviser terms of business**.

#### **3.3.1 Where you have an adviser**

If **you** have applied for **your product wrapper** through **your adviser**, **we** will assume that **you** have met and received suitable advice from **your adviser** and that this is not regarded as a **distance contract** for the purposes of the **FCA** regulations. **You or your adviser** must tell **us** if this is not the case.

**You** agree that **your adviser** is duly authorised to give **us** instructions on **your** behalf as if they had come directly from **you**. This includes authority to make withdrawals, trade **investments**, conduct switches and to add, amend or remove rebalancing on **your** behalf using **the Service**.

**You** agree to accept full responsibility for all instructions placed by **you** or **your adviser** and to release **us** from any liability for executing instructions which **you** or **your adviser** has placed using **the Service** (save for any direct loss or damage arising directly from **our** gross negligence, fraud or wilful default).

There are some instructions that must be given in writing, signed by all investors or authorised signatories and sent, where appropriate, with the relevant supporting documentation. These are explained in 9.

**We** will only accept instructions relating to payments of **adviser charge** to **your adviser** (see 10.4) direct from **you** or from **your adviser**. Where the instruction is passed to **us** by **your adviser**, **we** will send **you** details of the **adviser charge**.

**You** may only have one **adviser** for each **client profile**, and at any time **we** will only pay any **adviser charge** under 10.4 to that **adviser** **we** have noted against your **client profile**. Notification of a new **adviser** will automatically result in the removal of the existing **adviser**.

Where participating in more than one arrangement through an **employer**, **you** may have more than one **scheme adviser** for each **client profile**.

You must tell us in writing if you want to change your adviser – please send confirmation of this change to ARC Client Services. This confirmation must also contain details of your new adviser. You can only appoint one adviser for each client profile you hold (containing one or more product wrappers).

You may hold more than one client profile, with different advisers, and the client profiles will be treated completely separately, including separate online access, separate post-sale documents and separate charges.

### 3.3.2 When you do not have an adviser

If you do not have an appointed adviser, during any periods that you use the Service, the following will apply to your account.

If your product wrapper has been provided through your employer, you can have transactional online access to the Service at the gate you are given by your employer in terms of 7.3. This applies even if you have an adviser. If you do not have your log-in details to enable you to access the Service, you can obtain these log-in details from ARC Client Services.

If you do not already have transactional online access to the Service, then we can provide this to you so that you can manage your account online. We will do this when we are advised that you no longer have an adviser. You will only be able to transact at the gate you are in, in terms of 7.3.

You can continue to make payments into any existing product wrappers, or choose to open new ones, based on the access that you have, determined by the gate you are in.

We will continue to accept and invest any regular contributions for any product wrapper or investment that you do not have access to transact on under 7.3.

We will continue to invest any regular contributions received in line with the current investment strategy, unless you alter this. This applies to an investment strategy that purchases investments that are in a gate you do not have access to transact under.

You will be able to buy and sell investments that are available within the gate that you are in. For any investments that you already hold, which are in a gate above your current access, you will be able to sell these but not make any further purchases.

Any rebalancing instruction that is in place for any of your product wrappers will remain in place until you take an action that stops this as more fully detailed in 7.13.

With the exception of a SIPP, you may still, at any point and without an adviser, request the closure of your product wrappers and request a return of any money due to you. For a SIPP, you can request a transfer out to another pension provider, as described in clause 8 of section C, at any time.

If you do not have an appointed adviser this may have an impact on the annual charge you pay, as described more fully on the Service. In addition, you should also refer to clauses 10.3.1.6, 10.3.1.7 and 10.3.1.8 which set out the impact of no longer having an adviser on any network discount or adviser discount which is applied to your annual charge.

## 4 Overview of services

We are providing **the Service** as a means for **you** directly, through **your adviser**, or through **your employer**, to manage **your investments** within the **product wrappers** that **you** have taken out. The **product wrappers** that are available are:

- **GIA** – a general investment account that allows **you** to invest in a range of **investments**. This is more fully described in section A.
- **ISA** – an individual savings account (this is a stocks and shares ISA) and is provided under the Income Tax (Trading and Other Income) Act 2005 and the Taxation of Chargeable Gains Act 1992 and in the **ISA Regulations**. This is more fully described in section B.
- **SIPP** – a self-invested personal pension provided by **us**. This is more fully described in section C.

The ‘general’ section of these Terms and conditions detail those general parts of **the Service** that apply to any **product wrapper** that **you** have. There are specific requirements for each **product wrapper** and these are separately detailed in the section relevant to that **product wrapper**. The specific requirements for a **product wrapper** will override the general section for **the Service** if they conflict.

If **you** have access to transact through **the Service**, **you** will be able to open new **product wrappers** and buy and sell **investments** yourself, in line with the **gate** that **you** have access to under 7.3.

## 5 Opening a product wrapper

To use **the Service**, **you** must open one or more of the available **product wrappers**. **You** may open more **product wrappers** in the future, subject to the Terms and conditions in force at the time.

In making **your** application, or being provided with a **product wrapper** through **your employer**, **you** agree that **you** will be responsible for any losses and/or expenses **we** incur that are due to any

untrue, misleading or inaccurate information given by **you**, or on **your** behalf, either now or in the future in relation to that application and the **product wrapper** that **you** are applying for.

### 5.1 Methods of application

To open a **product wrapper**, the relevant application must be completed:

- online by **your adviser** acting as **your agent**;
- through **your employer** either with **your** authorisation or by being auto-enrolled, and
- online by **you**, if **you** have the relevant level of access to do this.

**We** will open a **product wrapper** for **you** when we have a fully completed application in a format determined by **us** or **you** are auto-enrolled or enrolled by **your employer**, and any **contribution** or transfer will be applied to this **product wrapper** as instructed. **We** can ask **you** to complete an additional form for certain kinds of application such as transfer to **your SIPP**. **We** will tell **you** or **your adviser** where this is the case.

Where **we** receive a sharesave rollover **contribution** to **your ISA** which exceeds the allowable contribution limit in the relevant tax year, **we** will open a **GIA product wrapper** for **you** to accept this **contribution**. **We** will return to **you** any other **ISA contribution** which exceeds the allowable limits.

### 5.2 Website access

Once **you** have a **product wrapper** with **us**, **you** may have direct access to **the Service** at a level decided by either **your adviser** or **your employer**.

On request from **your adviser** to **us**, **we** will provide **you** with a unique username and password enabling **you** to either view or transact (or both) online. **Your adviser** may also give **you** access to transact online. If **you** are given access to transact online, this will be in accordance with 7.3.

If **your product wrapper** is provided through **your employer**, you will automatically have view and transactional access at a **gate** chosen by **your employer**. This will apply to all **your product wrappers** and **investments**, even if they have been provided through **your adviser** rather than through **your employer**.

**5.2.1** Once **you** have been issued with a username and password, **you** are responsible for maintaining the security of **your client profile**. **You** must not provide **your** log-in details to any third parties.

**5.2.2** **You** agree to use **our** website in line with the website Terms of use and Privacy policy, which **you** can obtain from **the Service** or ARC Client Services.

**5.2.3** If **you** believe or know that the security of **your** username and password has been compromised, **you** must tell **your adviser** and **us** immediately.

**5.2.4** **You** can access **our** website from **your** own or public access points, but **you** are responsible for making sure any access points **you** use are secure.

### **5.3 Cash facility**

**5.3.1** Each **product wrapper** will have its own separate **cash facility**. All **contributions** and cash transfers received will be placed into the **cash facility** within the specified **product wrapper**. The exception to this is where **you** have been provided with **your product wrapper** through **your employer** either with **your** authorisation, or by being auto-enrolled into **your SIPP**. In these circumstances, all **contributions** will be invested in the **default fund** as more fully detailed in clause 4 of section C subject to the minimum remaining in **your cash facility** as described in 5.3.9 of the general section.

**Your SIPP** has one or more **cash facilities**. Where **you** have more than one **cash facility**, this will normally be to facilitate the taking of a **drawdown pension**. **You** will have one **cash facility** for the **uncrystallised** part of **your SIPP** unless **you** and **we** agree otherwise. Where **you** have **crystallised** part of **your SIPP**, for each **uncrystallised cash facility** **you** have, **you** will have a corresponding **cash facility** for the part(s) that **you** have **crystallised** from that **uncrystallised cash facility**.

Where there has been a drawdown to drawdown transfer, **you** will have a separate **cash facility** for each drawdown to drawdown transfer.

**We** cannot hold **your** money as a deposit as **we** are not a bank or building society. Therefore **we** will deposit it with HSBC Bank plc, who is the deposit taker for the **product wrappers**. **We** reserve the right to change **our** banking provider at any time, and **we** will tell **you** if **we** do this. Money held within the **ISA** and **GIA** is subject to the **client money rules** and **we** hold this money in accordance with the **client money rules**. The **SIPP** is not subject to the **client money rules** as it is a contract of insurance and is governed by a different legal and regulatory regime.

**5.3.2** HSBC Bank plc is authorised by the **PRA** and regulated by the **FCA** and **PRA**. Its registered office is: 8 Canada Square, London E14 5HQ.

**5.3.3** HSBC Bank plc is covered by the Financial Services Compensation Scheme. If this bank enters insolvency then **you** will become an ordinary creditor of the bank. **You** may be eligible to claim compensation from the Financial Services Compensation Scheme (FSCS).

In respect of bank deposits, compensation under the FSCS is currently limited. The current limits can be obtained from the FSCS at [fscs.org.uk](https://www.fscs.org.uk)

Any limits will apply to **your** total deposits within the HSBC group. This means that any other holdings that **you** have with HSBC will be included in calculating such limits.

**5.3.4** We are not liable for any acts, errors, omissions, defaults or frauds of the bank referred to in 5.3.

**5.3.5** Only cleared funds will be credited to **your cash facility**, and dealing instructions will only be carried out when there are sufficient cleared funds in the relevant **cash facility**, other than in the circumstances described in clause 7.12 below.

**5.3.6** Where relevant, credits to the **cash facility** will be:

- i subscriptions, **contributions** and transfers in before investment;
- ii **income** from **investments**;
- iii interest due on cash held within the **product wrapper**;
- iv proceeds from the sale of **investments**, and
- v pension relief at source, which **we** prefund.

**5.3.7** Debits from the **cash facility** will be:

- i withdrawals;
- ii investment **settlements**;
- iii **Aegon** charges (see '10 Payments out');
- iv closures or transfers out;
- v other payments relating to the **product wrapper** and are due to a third party, and

- vi a charge taken by us where HSBC Bank plc make a charge on **your cash facility**, as described in clause 5.3.8.

**5.3.8** Only **your** cash held within the **cash facility** of **your product wrapper** will accrue interest at a daily rate on a daily basis, cash that is held in any other account within **your product wrapper** that is used to move money to, from and within **your product wrapper** will not earn any interest for **you**. **We** will calculate and apply your interest owed within 10 business days of **us** receiving payment into our corporate account. **We** will state the method of calculation for the rate of interest on **our** website. **We** reserve the right to amend the rate of interest from time to time and will inform **you** of any change by updating the new rate of interest on **our** website. **You** should check our website regularly.

In the event that a negative interest rate figure applies, **our** bank may charge **us** for depositing **your** money with them.

If this happens **we** will deduct this charge from **your cash facility**. **We** will tell **you** if this charge is going to be deducted from **your cash facility**.

**5.3.9** A minimum cash balance of 0.25% of the overall value of the **product wrapper** must be maintained in the **cash facility** of each **product wrapper** at all times. If the only holding in **your SIPP** is **Secure retirement income**, the 0.25% minimum does not apply and no cash balance is required to be maintained in the **cash facility** of **your SIPP**.

**5.3.10** When you make a contribution or transfer to your product wrapper, 0.25% of the value of the contribution will be retained in your cash facility. If the whole contribution or transfer to your SIPP (after payment of any adviser charge and/or pension commencement lump sum) is being used to purchase Secure retirement income, no cash will be retained in the cash facility of your SIPP in respect of that contribution or transfer.

**5.3.11** It is your and your adviser's responsibility to make sure that there is sufficient cash within your cash facility to make any payments due to be made. If the minimum balance of a cash facility falls below the minimum cash balance required of the total value of that product wrapper or, where the balance is greater than the minimum cash balance required but there is not enough money in the cash facility to meet any payment due, we reserve the right to:

- i delay or not execute any investment or withdrawal instructions;
- ii delay or not pay out any charges, or
- iii sell investments as described in 5.4.

This will remain the case until the amount required to make the investment, charge or withdrawal is restored. We are not responsible for any losses, claims or other issues that may occur as a result of there being an insufficient balance in the cash facility.

## **5.4 Cash facility maintenance and forced disinvestment**

**5.4.1** Where the cash facility falls below the minimum described in clause 5.3.9 or there is insufficient cash to make a payment under clause 5.3.7, and you have not taken any action (such as selling investments or paying in further contributions) to ensure that there is sufficient cash in the cash facility, we can top up the cash facility without your agreement. Where we need to sell investments to generate cash to make a payment under condition 5.3.7, the way in which we do this will depend on the number of investments you hold and the amount of cash that is needed:

- If you only have one investment we will sell holdings in that investment.
- Where you have more than one investment we will normally sell from the largest investment first and if the largest investment does not generate enough cash we will then sell from the next largest investment and so on. However, if the amount of cash required meets a set percentage of the total value of your product wrapper then we will sell from your investments proportionately.

You can find more details about the process and what the current percentage set by us is in the Charges Guide, from your adviser if you have one, or by contacting us. If we change the set percentage we will tell you.

Some investments are excluded from the forced disinvestment process, for example if an investment is suspended. If we are not able to complete a forced

**disinvestment** as the only **investments** left in **your product wrapper** are excluded from this process, no payments will be made from **your product wrapper** until either:

- i **you** ensure that there is sufficient cash in the **cash facility** by making a **contribution** or transfer, or by selling **investments**, or
- ii the excluded **investments** are no longer excluded from the **forced disinvestment** process.

If **we** are unable to collect **our** charges (see 10.3 for details of **our** charges) as **your product wrapper** contains only **investments** that are excluded **investments**, a debt will be noted against **your product wrapper**. This debt will be settled in full or in part when there is cash in the **cash facility**: in the event of the whole debt not being settled, the remaining amount will remain as a debt against the **cash facility** until there is sufficient cash to meet that debt.

At no point will this process sell any **investment** that **you** may have in **Secure retirement income** unless it is required to meet any tax, fines or other costs **we** are required to pay under legislation, regulation or order of a court, tribunal, ombudsman or other similar institution.

**5.4.2** If **we** sell **investments** as part of a **forced disinvestment**, **we** are not responsible for any loss, charges or tax liabilities on **investments** that **we** sell, or other loss that may be incurred.

**5.4.3** A **forced disinvestment** will only take place where **you** have taken no action to maintain the minimum cash balance as explained in clause 5.3.9, make sure that

sufficient money is in **your cash facility** to meet any charges, income payments or other payments that are due to be paid from **your cash facility**. **We** will not provide **you** with any notice where **we** intend to or have carried out this process.

**5.4.4** The **forced disinvestment** process will be initiated on a day **we** choose based on the reason for starting this process. This is to give time for the proceeds to reach **your cash facility** before a payment is due although **we** cannot guarantee that the payment will reach **your cash facility** in time. **We** are not responsible for any losses, claims or other issues that may occur where the proceeds do not reach **your cash facility** in time for any payment: it is **your** and **your advisers** responsibility to ensure that there is sufficient cash in the **cash facility** to meet any payments due.

**We** do not issue Contract notes or for **SIPP**, Confirmation of investment – contract note, for these transactions.

## **6 Contributing to your product wrapper**

### **6.1 Methods of contributing**

**6.1.1** Each new **product wrapper** application (with the exception of **re-registrations**) must be accompanied by a cheque or bank transfer (BACS, Faster Payments or CHAPS), a fully and correctly completed Direct Debit instruction or a fully and correctly completed transfer request. For **re-registrations**, **we** will need a re-registration application form and stock transfer or re-registration authority form.

**6.1.2** Cheques must be made payable to **Aegon**.

**6.1.3** Cheques will be subject to the clearing rules of **our** banking partner. This will mean that, if **you** submit a cheque to make an initial or additional **contribution** into a **product wrapper**, any investment instructions will be delayed whilst the cheque is clearing. **We** accept no liability for any loss arising within this period (for example, investment loss). Bank transfers (BACS, Faster Payments or CHAPS) must be made payable to **our** designated account appropriate for that **product wrapper**. The account details are indicated on the appropriate application.

**6.1.4** **We** are not responsible or liable for any loss or costs incurred as a result of a Direct Debit payment being rejected by **your** bank or the incorrect initiation of a bank transfer (BACS, Faster Payments or CHAPS) to **our** bank account. Following the failure of a Direct Debit, **we** will attempt, where possible, to re-present the instruction to **your** bank once only.

**6.1.5** All bank transfers sent to **us** must be accompanied by an identifying reference. If a bank transfer is sent to **us** without an identifying reference, **we** will endeavour to identify the source of the transfer. If **we** cannot, **we** will initiate the return of money to the source bank account no later than three **business days** after receipt.

**6.1.6** **We** reserve the right to decline a payment made by bank transfer to **us**, and if **we** do so **we** will initiate the return of money to the source bank account no later than three **business days** after receipt.

## **6.2 Contributions into a product wrapper**

### **6.2.1 Initial contribution**

Minimum initial **contribution** levels apply for each of the **product wrappers** – please refer to sections A, B and C.

### **6.2.2 Additional contributions**

There is no minimum amount for additional **contributions** into the **cash facility** for all **product wrappers**. However, there may be minimum amounts payable with certain payment methods. Speak to your **adviser** for more information.

**We** can accept additional contributions by bank transfers (BACS, Faster Payments or CHAPS), which must be made payable to **our** designated account appropriate for that **product wrapper**.

The account details are indicated on the appropriate additional **contribution** application.

### **6.2.3 Contribution limits**

**a Contributions** are permitted into an **ISA** subject to **HMRC** maximum yearly subscription limits. Current limits are available at [hmrc.gov.uk](https://www.hmrc.gov.uk) **You** are responsible for making sure **you** do not breach the current **ISA** subscription levels stated in the **ISA Regulations** for the tax year in which **you** are investing; or

**b Contributions** into **your SIPP** may be liable to a tax charge where they exceed the **annual allowance** imposed by **HMRC**. **You** are responsible for monitoring **your** pension savings against the **annual allowance**.

If **you** have any concerns or questions then **you** should check with **your adviser** the scope **you** have for making **contributions** to **your ISA** or **your SIPP**.

#### 6.2.4 Regular contributions

If **you** are making **regular contributions**, minimum **regular contribution** levels apply for each of the **product wrappers** – please refer to sections A, B and C.

**Regular contributions** must be paid by Direct Debit and will be initiated following receipt of a fully and correctly completed Direct Debit instruction. Direct Debits will typically be collected on the second **business day** of the month unless **we** have agreed another day with **you**.

**You** can change or stop **regular contributions** to a **product wrapper** at any time. **You, your adviser, or your employer** must tell **us** that **you** are doing this. Instructions from **you** and **your adviser** must be in writing and must be received not less than 12 business days before the collection of **your next contribution**. If **regular contributions** are being paid through **your employer, your employer** will advise **us** of any change by the method **we** have agreed with them.

#### 6.2.5 Sanctions

**We** reserve the right to refuse any **contributions**, distributions or instructions from **you**, a third party or **your employer** (as appropriate), or any withdrawal or transfer requests where:

- a **you**, the third party or **your employer** (as appropriate), are listed on any sanctions lists compiled by Her Majesty's Treasury and/or the Office of Foreign Assets Control and each of their successors;
- b **you**, the third party or **your employer** (as appropriate) are subject to any other sanctions or any regulatory restrictions or requirements; and/or

- c **we** or any of our third party **investment providers** (including, but not limited to, fund managers and their administrators) are subject to or apply any sanctions or any regulatory restrictions or requirements.

This includes any sanctions and any regulatory restrictions or requirements in the UK or any other jurisdiction.

**We** reserve the right to determine how any contributions are applied and/or invested.

### 6.3 Re-registration of investments from other providers

- 6.3.1** Before starting the transfer, **you** must provide **us** with a fully and correctly completed application and transfer authority signed by all holders or required authorised signatories. **We** will then contact **your** existing provider to arrange the transfer. **We** will not accept responsibility for any loss to **you** resulting from any delays or actions that are outside **our** control.

- 6.3.2** Some **investments** have different fund classes with different charges. Once the **re-registration** to **us** is complete, if a different fund class with a lower charge is available for **your investment we** will ask the **fund manager** of that **investment** to convert the **investment** to the fund class with the lower charge. **We** cannot guarantee that the **investment** will always be converted as the conversion is at the **fund manager's** discretion and they may not agree to carry out the conversion.

- 6.3.3** **We** will allow **re-registration** of allowable **investments** into all **product wrappers**. If **you** are unsure what the allowable **investments** are please contact **us** before starting the

re-registration to us. Investments that are re-registered remain invested in the market.

## 6.4 Re-registration of collectives

**6.4.1** When re-registering **collectives**, we will endeavour to register **your** units/shares with the same Group 1 and Group 2 units/shares that were held with the previous provider. However, where the information on the unit/share split is not provided by the previous provider, all units/shares will be recorded as Group 1 and no equalisation will be shown on **your** tax credit. This will have no impact on the value of **your** units/shares. In this clause:

- Group 1 units/shares have already been through a distribution or dividend period, so are considered units with no preferential tax handling.
- Group 2 units/shares have been recently issued to an investor and have not yet had a distribution paid against them. These units/shares are classified so as to permit identification for purposes of tax handling. When a distribution has been paid against them, they are reclassified/labelled as Group 1 units/shares.

## 6.5 Cash transfers from other product providers

**6.5.1** We will accept transfers that are capable of being transferred into a **product wrapper** subject to clause 6.2.5. Certain product-specific limitations exist for transfer in. For more information on transfers, please see 3 and 8 of section B for **your ISA** and 4, 6, 7 and 8 of section C for **your SIPP**.

**6.5.2** Before starting the transfer, **you** must provide **us** with a fully and correctly completed application form and transfer authority form.

We (where **you** do not have an **adviser**), will then contact **your** existing provider to arrange the transfer. We will not accept responsibility for any loss to **you** resulting from any delays or actions that are outside **our** control.

## 6.6 Outstanding dividends or distribution payments

Other than for **your SIPP**, if we receive any outstanding dividends or distribution payments under £50 from **your** previous provider which relate to a **re-registration** or transfer into a **product wrapper**, we may return this to the previous provider or investment manager depending on the size of the payment and the ease with which we can apply it to **your product wrapper**. Any payment applied will be placed into the **cash facility** of the **product wrapper** the investment has been re-registered to.

## 7 Managing your investments

### 7.1 Our nominee services

Any **investments** other than the cash in the **cash facility** of the **ISA** and **GIA**, or any other account that is used to move money to, from and within the **ISA** and **GIA**, that are held within **product wrappers** are held in the name of one of **our nominee companies**. Cash in the **cash facility** of the **ISA** and **GIA**, or any other account that is used to move money to, from and within the **ISA** and **GIA** is held for **you** in the name of Aegon Investment Solutions Ltd and is subject to the **client money rules**.

**7.1.1** Depending on the **product wrapper** you hold, the **nominee company** will be:

Product wrapper	Nominee
GIA (gross)	Aegon Investment Solutions - Nominee 1 (Gross) Ltd
GIA (net)	Aegon Investment Solutions - Nominee 2 (Net) Ltd
ISA	Aegon Investment Solutions - Nominee 3 (ISA) Ltd
SIPP	Aegon SIPP Nominee Ltd

- 7.1.2** The **nominee companies** provide professional nominee services exclusively for **us** and can only hold **assets** belonging to **clients**. Aegon SIPP Nominee Ltd can only hold assets that are held in the **scheme**. This will include **your investments** within **your SIPP** as well as assets of other members of the **scheme**. They do not carry on business in their own right and any **assets** held by them cannot be lent or borrowed against. This means **your** assets are held separately from **our** own assets. These services are included as part of **our** overall services to **you**, at no additional charge.
- 7.1.3** Each of **your investments** will be registered in the name of the nominee relevant to the **product wrapper** in which they sit. The exception to this is cash in the **cash facility** of the **ISA** and **GIA**, or any other account that is used to move money to, from and within the **ISA** and **GIA**, as this is held in the name of Aegon Investment Solutions Ltd and is subject to the **client money rules**.
- 7.1.4** While **your** own name and details do not appear on the register of any of the companies or funds whose **investments** **you** have chosen to hold in **your product wrapper**, **your investments** are still held for **your product wrapper**. **We** keep detailed records of which **investments** are held for each of **your product wrappers**, so that **your** interests in the **investments** are fully documented.
- 7.1.5** The obligations of the **nominee companies** are guaranteed by Aegon UK plc and **we** reserve the right at any time to appoint an alternative nominee and/or custodian for **your investments**.
- 7.1.6** **You** may assign underlying **investments** within the **GIA** to a third party subject to **our** agreement. Doing so without **our** express permission may result in closure of the **product wrapper**. This excludes any **GIA** opened by a product with **another provider** where any rights **you** may have to assign the **GIA**, including the underlying **investments**, to a third party will be in line with the Terms and conditions of that product. If the other provider allows **you** to assign the **GIA** to a third party, **you** must tell **us** about this assignment.
- 7.1.7** **Investments** (including money) held in **your product wrapper** may be held by a third party on our behalf, and may be pooled with investments of other investors. **We** will hold your **investments** and money that is in **your ISA** or **GIA** according to the requirements of the **client money rules**. These rules are designed to ensure that **your investments** and money are promptly returned to **you** in the event of the failure of Aegon Investment Solutions Limited or of a third party that is holding them on **our** behalf. The **SIPP** is not subject to the **client money rules** as it is a contract of insurance and is governed by a different legal and regulatory regime. **We** will segregate **your investments** from **our** own assets. **We** will seek to make arrangements so that any third party that holds them does the same however this will not always be possible.
- 7.1.8** In the event of **our** insolvency or the insolvency of the investment manager of an **investment**, there may be a claim under the FSCS. Whether or not there is a claim will depend on the type of, and

circumstances of the **investment** and whether the FSCS regards **you** as a retail client or professional client or eligible counterparty in accordance with **FCA** rules. For more information on eligibility please speak to **your adviser** or contact the FSCS by calling 0207 741 4100 or visiting [fscs.org.uk](https://www.fscs.org.uk)

## **7.2 How your investments are managed**

We offer the ability to trade a range of **investments**, through **the Service**.

**7.2.1** Within each of the **product wrappers**, we offer the facility to buy and sell allowable **investments**, which are a subset of the entire range available, through **the Service**. The specific range of allowable **investments** is determined by each of the **product wrapper** providers (or in the case of the **SIPP**, the trustee of the **scheme**) and also by any permissibility criteria contained within relevant legislation and **HMRC** rules.

**7.2.2** Details of all the **investments** we provide are available from **your adviser** or through **the Service**.

**7.2.3** We reserve the right to vary the investment universe at any time.

**7.2.4** If instructions are given to purchase any **investments** that are not within the **investment list**, we will not initiate the purchase.

**7.2.5** If an **investment** ceases to be allowable because it does not qualify under legislation or regulations as an **investment** that is permitted to be held within a **SIPP** or an **ISA**, we must sell the **investment** as soon as practicable after it has been identified as not being an **investment** that is allowed within **your SIPP** or **ISA**. You will be liable for the costs incurred in selling that **investment**, this will be taken from **your cash facility** or as part of the trade.

**7.2.6** Where an **investment** is removed from **the Service** either by the provider of the **investment** or by **us**, we will sell **your** holding in that **investment** and switch **your** holdings into the **cash facility**. In these circumstances, any future **contributions** or transfer payments which would otherwise have been applied into that **investment** will be retained in the **cash facility**. If **you** do not want this to happen, **you** must provide us with **your** own investment instructions through **the Service** prior to the date we set out in the notice telling **you** that the **investment** is being removed from **the Service**.

**7.2.7** Where an **investment** is closed by the provider of the **investment** or by **us** to further payments into that **investment**, but that **investment** is not removed from **the Service**, **you** will retain **your** holding in that **investment**. **You** will not be able to make any further payments into that **investment**. Any future **contributions** or transfers which would otherwise have been applied into that **investment** will be retained in the **cash facility**. If **you** do not want this to happen, **you** or **your adviser** must provide **us** with **your** own investment instructions through **the Service** prior to the date we set out in the notice telling **you** that the **investment** is being closed.

**7.2.8** Where an **investment** is suspended from **the Service** by the **investment provider**, we will not be able to accept any instructions (including any rebalancing instructions under clause 7.13, or to the extent that the **investment** forms part of any model portfolio or default investment strategy) to buy, sell or switch the **investment** until the suspension is lifted. We will notify

you if an **investment** becomes suspended. If **we** receive any such buy, sell or switch instructions during the period of the **investment's** suspension, these will be cancelled by **us**. Any future **contributions** or transfers which would otherwise have been applied into that **investment** will be retained in the **cash facility**. Subject to clause 7.13.4, once the suspension is lifted any future **contributions** or transfers to be applied to that **investment** in-line with a **model portfolio** or an investment strategy will start to be applied to the **investment**, unless **your adviser** updates the **model portfolio** or investment strategy, as appropriate, to exclude that **investment**. **You** can ask **your adviser** if a **model portfolio** or investment strategy applies to **your product wrapper**. For the avoidance of doubt, any **contributions** and transfers that would have been applied to the **investment** during its period of suspension and have been retained in the **cash facility**, will remain in **your cash facility** until **your adviser** gives **us** an instruction to purchase investments with that money. **We** will notify **you** once the suspension has been lifted.

### 7.3 Access to products and investments (gating)

**Your adviser** may, and **your employer** will authorise **you** to carry out certain transactions within **the Service**. The level of transaction that **you** will initially be able to carry out will depend on the transactional level of access that **you** have been given by **us** or **your employer**. These transactional levels are referred to as 'gates'.

The details of the **gates** and the **product wrappers** and **investments** that **you** can transact under each gate, are available on **the Service** or **you** can ask **your adviser** (if **you** have one) what these are.

## 7.4 Appointment of a discretionary fund manager

**7.4.1** **You** can appoint a **discretionary fund manager** to manage **investments** on **your** behalf through a **model portfolio**. To appoint a **discretionary fund manager**, **you** must have an **adviser**. **You** can only appoint a **discretionary fund manager** that **we** have entered into an agreement with. **Your discretionary fund manager** must abide by the Terms of Use **we** issue to them.

**7.4.2** A list of the **discretionary fund managers** that **you** can appoint is available from **your adviser**. The appointment of a **discretionary fund manager** does not replace the need for an **adviser**.

**7.4.3** To appoint a **discretionary fund manager**, an agreement must be entered into with them by **you** or **your adviser**.

**7.4.4** **Your** appointed **discretionary fund manager** will then provide investment management in line with the agreement with them, so they will have access to view and instruct investment transactions for the **model portfolio** that they provide. For the avoidance of doubt, **we** will not allow **your discretionary fund manager** to change any personal or contact details.

**7.4.5** For further information, **you** should check the agreement with **your discretionary fund manager** and speak to **your adviser**.

**7.4.6** It is **your** and **your adviser's** responsibility to make sure that any **discretionary fund manager** **you** appoint has **FCA** authorisation to carry out discretionary management of **your investments** on **your** behalf. It is the responsibility of **you** and **your**

adviser to carry out any due diligence of the **discretionary fund manager** that **you** wish to use. If **you** no longer have an **adviser**, in relation to the **product wrapper** that had a **discretionary fund manager**, you lose your **discretionary fund manager** for that **product wrapper** because this is a service provided through **your adviser**.

- 7.4.7** Where a **discretionary fund manager** is appointed, **you** authorise **us** to accept investment instructions from **your** appointed **discretionary fund manager** as if they had come directly from **you**.

Therefore, **we** are not liable for any losses, expenses incurred as a result of the actions of **your** appointed **discretionary fund manager**, or any actions of or claims from the **discretionary fund manager** in respect of any **product wrapper**. **You** indemnify **us** against any claim in respect of any actions taken by **your discretionary fund manager**.

- 7.4.8** Where **your discretionary fund manager** is to receive payment of their charges from the **cash facility** of the **product wrapper** they are managing **investments** for, this will be payable to them in the form of **discretionary investment manager charge** in line with and subject to clause 10.4.9.

- 7.4.9** If **you** want to stop using **your** appointed **discretionary fund manager**, **you** must confirm this to **us** in writing. **You** will remain invested in the **investments** held at the time **we** process **your** instruction to stop using **your discretionary fund manager** until **you** or **your adviser** gives **us** alternative instructions. **You** will also stop paying charges to **your discretionary fund manager** from the time **we** process this instruction.

## **7.5 General information about buying and selling investments**

Within each **product wrapper**, **you** can build a portfolio of **investments** from **our** investment universe. Once **you**, **your adviser**, or **your discretionary fund manager** has selected **investments** for **you**, **we** will act on those investment instructions.

- 7.5.1** Instructions to carry out investment transactions will be given by **you** (where **you** have access to do so), **your adviser**, or **your discretionary fund manager** or using the online **Service**. For **investments** that cannot be traded online or in exceptional circumstances where online services are not available, **we** will require an instruction offline. **We** will inform **you** where this is the case and how to give the instruction, which will depend on the particular **investment**.

- 7.5.2** **We** accept all instructions in good faith. Once an instruction has been submitted and acknowledged online, **we** cannot make any changes to that instruction.

- 7.5.3** Details of instructions are provided online within the transaction history. **We** will confirm to **you** all **investment** purchases and sales that are instructed by **you**, **your adviser**, or **your discretionary fund manager**. It is the responsibility of **you** and **your adviser**, to check the transaction history and make sure that any instructions have been received by **us**.

- 7.5.4** **Investments** are subject to such conditions and restrictions that can be imposed on **us** by any of our third party **investment providers** (including, but not limited to, fund managers and their administrators) from time to time on any particular **investment**. Where **we** are aware of conditions

or restrictions that are in place, **we** will tell **you** about this when you apply for an impacted investment or otherwise as soon as practicable.

**7.5.5** You should read the **Aegon UK Retail Order Execution Policy** prior to trading **investments**. You can obtain this by contacting ARC Client Services or it is available through **the Service**.

**7.5.6** **Investments** are subject to the terms of a document called a prospectus. These are available from the **investment provider** or **fund manager**. Instructions to trade should be made in accordance with the terms of the prospectus.

**7.5.7** Where **you** ask us to buy and/or sell **equities, exchange traded funds** or **investment trusts**, **we** may ask you to provide **us** with additional information before **we** carry out the transaction. Any buy or sell instructions will not be able to be placed without this information. **You** can obtain details of the additional information **we** will ask **you** to give **us** on **the Service**, alternatively **you** can ask **your adviser**, what it is, but could include the **legal entity identifier** and/or the **national person unique identifier**.

## **7.6 Investment provider charges**

**7.6.1** **Investment providers/fund managers** may levy their own charges, which are in addition to the charges detailed in these Terms and conditions and the Charges guide. **Your** personal illustration will show the expected breakdown of charges the **investment provider/fund managers** may levy on **your investments** as supplied to **us** by them. **You** can also obtain details of these from **your adviser** or through **the Service**.

**7.6.2** **Investment providers/fund manager** normally deduct their charges either directly from the **investment** or include their charges when calculating the price of the **investment**.

## **7.7 Trading methods**

**Investments** that are traded online are traded in one of two ways – either real time or aggregated.

The following table gives an overview of which **investments** are traded by which method. If any **investment** is traded on a different basis than that detailed in this table, **we** will tell **you** of this within **the Service**:

<b>Investment types</b>	<b>Aggregated</b>	<b>Real-time</b>
Insured funds	Y	N
Collectives	Y	N
Structured products	Y	N
Exchange traded funds	Y	N
Equities	N	Y
Investment trusts	Y*	Y

\***Investment trusts** will be traded on a real time basis unless **we** have indicated that **investment trusts** will be traded on an aggregated basis on **the Service**. Where **investment trusts** are traded on a real time basis please refer to clause 7.15, and where **investment trusts** are traded on an aggregated basis please refer to clause 7.8.

**7.7.1** All requests to trade investments must be made online.

**7.7.2** For details of the charges related to trading **investments**, please see the Charges guide and **your** illustration.

## **7.8 Aggregated trading**

**7.8.1** **Investments** traded by this method will have a **dealing point**. At this **dealing point**, all instructions received from clients using **the Service** will be added together into a single trade for a particular **investment** and sent to the relevant **investment provider**.

This means that a deal that **you** place may be combined with deals for the same **investment** made by other users of **the Service**. **We** will place all buy instructions separately from all sell instructions.

**7.8.2** **We** adhere to **FCA** rules on **aggregated trading** and managing conflicts of interest and keep records of transactions to make sure that **we** can allocate all deals fairly and in the order in which they were placed.

**7.8.3** For aggregated transactions **we** reserve the right to round the **settlement proceeds**, of purchases and sales, when we apply them to **your** account.

**7.8.4** **Exchange traded funds** and **investment trusts** (where we have indicated on **the Service** that **investment trusts** will be traded on an aggregated basis) aggregated by **Aegon** will be traded through **the Service** once each **business day**. **You** must give **us** a valid instruction to trade and have cleared money in **your cash facility**, except where **exchange traded funds** and/or **investment trusts** are traded as part of switch. In such circumstances clause 7.12 will apply.

## **7.9 Dealing minimums**

Some **investment providers/fund managers** have their own dealing minimums. If **your** instruction does not meet the dealing minimums imposed by the **investment providers/fund managers**, which may apply to both buys and sells, **we** will not be able to carry out that instruction and **your** money relating to that instruction will remain in **your cash facility** until **we** receive an alternative instruction from **you**. **We** may also set a dealing minimum which will be based on the **investment provider's/fund manager's** dealing minimums. This dealing

minimum may be higher than the **investment provider's/fund manager's** dealing minimums to reduce the risks of market movement resulting in trades being rejected.

**We** are not liable for any loss incurred by **you** due to the instruction being delayed or not actioned due to the **investments** not meeting either **our** or the **investment provider's/fund manager's** dealing minimums, except to the extent it arises from or is attributable to **our** wilful act, omission or negligence.

## **7.10 Settlement**

For **investment** sales, any **settlement proceeds** will be credited to **your cash facility** one business day after it is received. The timing of **settlement** depends on the **settlement** arrangements of the individual **investments** being traded, however there may be occasions where **settlement** is delayed, for example where the **investment provider** is experiencing liquidity issues. Delays of this nature are outside **our** control. Where **settlement** is delayed **we** will notify **you** of this, where the delay is significant and it is possible to notify **you** before the trade settles. For **investment** purchases, **we** will ring-fence any money due for **settlement** from **your cash facility** when the instruction to purchase is placed with **us**.

## **7.11 Individual purchase and sale transactions**

**7.11.1** **Aegon** applies a **dealing point** in advance of the **investment's** dealing point. **You** can find out details of **Aegon's dealing points** for each **investment** from **your adviser** (if you have one) or through **the Service**.

**7.11.2** Except in relation to switches as set out in clause 7.12.3, **we** are only able to initiate a purchase transaction after receipt of cleared funds in the **cash facility** of **your product wrapper**.

### 7.11.3 Once we:

- have received and acknowledged **your** instruction, subject to 7.11.5 below, and
- have identified and applied appropriate cleared funds to **your cash facility**,

any purchase of **investments** will then typically be made within the next two **Aegon dealing points**, subject to acceptance of the instructions by the relevant **investment provider/fund manager**.

Some **investments** will have different times at which they deal due to their nature, for example they may deal only on one day a month. The **dealing points** for each **investment** can be found on **the Service**, or **you** can ask **your adviser** (if you have one) what these are.

**7.11.4** In order to initiate **your** sale instructions, **we** must have received and acknowledged **your** instruction. Any sale of **investments** will then typically be within the next two **Aegon dealing points**, subject to acceptance of the instructions by the relevant **investment provider/fund manager**. If **you** tell **us** to sell a specific number of units/shares in order to achieve a specific amount of money, **you** may not get the exact amount **you** asked for. **You** may get more or less depending on the unit/share prices at the relevant **dealing point(s)**.

**7.11.5** Depending on the **investments** **you** hold, if **we** do not hold details of the **legal entity identifier** and/or the **natural person's unique identifier** **we** will be unable to complete **your** instructions.

## 7.12 Switching within a product wrapper

**7.12.1** Switching (or a switch transaction) comprises selling an **investment** and buying another **investment**, in other words it is one instruction, comprising a sale instruction and a related purchase instruction. (For the avoidance of doubt, an instruction to sell an **investment** and to apply their sale proceeds into the **cash facility** is not a switch transaction for the purposes of this clause 7.12).

**7.12.2** Where **you** instruct **us** to carry out a switch transaction, **we** will initiate a sale in accordance with clause 7.11.4 above. **We** will then carry out the purchase of the new **investment(s)** as follows:

### 7.12.3 Pre-funded switching

Subject to clause 7.12.4, where **you** are carrying out:

- a 'linked switch' that is, **you** have given **us** an instruction to sell one or more **investments** and use the sale proceeds to purchase other **investments**; or
- **we** are buying and selling **investments** as part of a rebalancing exercise as described in clause 7.13.3,

**we** will initiate **your** purchase instruction in relation to the switch when **we** receive confirmation of the sale price(s) from all the **investment providers/fund managers** in respect of the associated sale transaction(s). **We** will not wait for cleared sale proceeds to be received into the **cash facility** of **your product wrapper** in order to proceed with the purchase transaction, which will otherwise be carried out in accordance with clause 7.11.3. Please note, if **you** have available cash in **your cash facility** to settle **your** purchase transactions this

cash will be used first. **We** will only pre-fund your purchase transactions where there is not enough cash in **your cash facility** to pay for the purchase in full (and then only to the extent needed to fund the shortfall between **your** available cash and the cost of the purchase transactions).

In the event that **we** do not subsequently receive sale proceeds from any **investment provider/fund manager** in relation to the switch within 14 days of the sale transaction, **we** will notify **you**.

**You** can then choose how **you** want to pay for the shortfall in the cost to purchase your chosen **investments**, for example by paying further **contributions** into **your product wrapper** or by instructing **us** to sell specific **investments**. If **you** do not take any action, or the action you take is not sufficient to meet the full shortfall within 14 days of **us** notifying **you** of the shortfall, **we** may deduct the outstanding amount from the **cash facility** in **your product wrapper**. If there is not enough cash in **your cash facility** to pay the outstanding shortfall the **forced disinvestment** process in clause 5.4. will apply.

#### **7.12.4 Funded switching**

**We** may cease to offer pre-funded switching in exceptional circumstances such as:

- where **we** receive an unusually high number of switch transaction instructions;
- where **we** receive an unusually high value of switch transactions, or
- in periods of significant market volatility.

**We** will inform you on **the Service** where **we** cease to offer pre-funded switching and **we** will carry out **your** switch instruction as separate sale and purchase transactions on the basis set out in clauses 7.11.3 and 7.11.4. This means **we** will await **settlement** of all of the sale instructions before initiating **your** purchase instruction(s).

**7.12.5** Once a switch instruction has been submitted, no aspects of that switch can be changed or cancelled.

**7.12.6** Depending on the **investments** included in the switch instruction, if **we** do not hold details of the **legal entity identifier** and/or the **natural person's unique identifier** **we** will be unable to complete **your** switch instruction.

**You** should speak to **your adviser** to ensure they hold this detail.

**7.12.7** A switch instruction cannot be carried out if there is an outstanding switch from the same **investment** in progress. The switch will be carried out once the outstanding switch has completed.

### **7.13 Rebalancing**

**7.13.1** **The Service** allows automatic realignment of **investments** within a **product wrapper** (including **investments** in a **model portfolio**) to the proportions that **you** have previously specified – this process is called rebalancing. There are some **investments** which cannot be included for rebalancing, for example real time traded **investments** as set out in clause 7.7 and **Secure retirement income**, details of which can be obtained from **your adviser** or through **the Service**. Automatic rebalancing of **investments** can only be set up by **your adviser**.

Rebalancing on a one-off basis can be set up by **your adviser** or your **discretionary fund manager** in relation to a **model portfolio** set up by them. Please speak **your adviser** for further information.

**7.13.2** Automatic rebalancing can be set up to be carried out on a quarterly or yearly basis. The rebalancing timetable will be set:

- where **you** set up rebalancing at the start of **your product wrapper**, from the 19th day of the month following the establishment of **your product wrapper**, or
- where **you** set up rebalancing later on, from the 19th day of the month in which the rebalancing is added to **your product wrapper**.

**7.13.3** Where dealing minimums have been met for all **investments**, **your investments** will be rebalanced to the **investment** choice selected.

**7.13.4** For a rebalancing instruction that includes an **investment** where:

- dealing minimums have not been met;
- that **investment** has been removed from the **product wrapper** either by **us** or by the **investment provider**, or
- that **investment** is no longer available for inclusion in any rebalancing instruction

at the time rebalancing is due to take place, the remaining **investments** will be rebalanced as closely as possible to the **investment** choice selected.

Whilst **we** cannot predict why an **investment** will no longer be available for inclusion in a rebalancing instruction some reasons why this may happen include but are not limited to:

- taking account of any changes to legislation, codes of practice or regulatory change;
- an investment being closed, suspended or illiquid, and
- in response to a decision of a court, ombudsman, regulator or similar body.

Where an **investment** included in **your** rebalancing instruction was suspended at the time of that rebalancing instruction but becomes available to trade again:

- any future **contributions** or transfers to be applied to that **investment** in-line with the **model portfolio** or default investment strategy will start to be applied to the **investment** when it becomes available to trade again (for the avoidance of doubt, any **contributions** and transfers that would have been applied to the **investment** during its period of suspension and have been retained in the **cash facility**, will remain in **your cash facility** until **your adviser** gives **us** an instruction to purchase **investments** with that money), and
- that **investment** will be re-aligned to the **model portfolio** or default investment strategy when we carry out the next rebalance unless **your adviser** updates the **model portfolio** or default investment strategy to remove the **investment**.

**7.13.5** Rebalancing can be initiated on the application when a **product wrapper** is opened or at a later date.

**7.13.6** If **you** change **your investment(s)**, any rebalancing instructions in place will cease. To continue

with any rebalancing instruction, **your adviser** will need to confirm the existing rebalancing instruction or set up a new rebalancing instruction. If **your adviser** changes a default investment strategy, any rebalancing instructions will cease. However, **your adviser** changes your **investment(s)**, other than a default investment strategy, any rebalancing instructions in place will continue in force unless cancelled as set out in clause 7.13.10.

**7.13.7** Re-registration of new **investments** to a **product wrapper** does not automatically cancel any existing rebalancing instructions. If **you** do not review and alter **your** rebalancing instruction to take account of any re-registered **investments**, the re-registered **investments** will be all or partly sold at the next rebalancing depending on the existing rebalancing instructions.

**7.13.8** When a portfolio is rebalanced, **investments** that are not available for rebalancing (for example real time traded **investments** as set out in clause 7.7 or **Secure retirement income**) will be excluded from rebalancing transactions.

**7.13.9** Rebalancing will only maintain the balance in the **cash facility**, subject to the minimum described in clause 5.3.9, for the value of **investments** included in the rebalancing instruction. If **you** hold **investments** that are not included in the rebalancing instruction, the rebalancing will not take the value of those **investments** into account when rebalancing the **cash facility**. If the balance in the **cash facility** falls below the minimum, **we** may require to take action as detailed in clause 5.4.

**7.13.10** Cancellation of existing rebalancing instructions, new rebalancing or amendments to **your** existing rebalancing instructions can only be initiated by **your adviser** on **your** behalf. The exception to this is if **you** do not have an **adviser** **you** can write to **us** to cancel **your** rebalancing instruction.

**7.13.11** Valuation calculations for the rebalancing of a **product wrapper** will be made on the 19th day of the month in which **we** carry out the rebalancing, depending on the rebalancing instruction. Valuations are performed in line with clause 8.1.

**7.13.12** Any sales required to rebalance will be initiated within the first two **business days** following the rebalancing valuation. **We** will carry out the sales and purchases of **investments** required to carry out the rebalancing using the pre-funding process in accordance with clauses 7.12.3 and 7.12.4.

**7.13.13** Depending on the **investments** **you** hold, if **we** do not hold details of the **legal entity identifier** and/ or the **natural person's unique identifier** **we** will be unable to complete the rebalance.

**7.13.14** There may be costs associated with buying and selling an **investment**, levied by the investment manager – for details of these, please speak to **your adviser**.

## **7.14 Model portfolios**

**7.14.1** **We** provide the facility for **advisers** and **discretionary fund managers** to set up and maintain **model portfolios**.

**7.14.2** Where **we** receive an instruction from **your adviser** or **discretionary fund manager** to alter the **investments** within a **model portfolio**, to which **your**

**product wrapper** is linked, this will result in transactions to change the **investments** within that **product wrapper** to realign with any change to the **model portfolio**, in line with the switching process described in clause 7.12 and, if applicable, the re-balancing process described in clause 7.13.

- 7.14.3** If you change your investment(s), your **product wrapper** will no longer be linked to a **model portfolio** and your **adviser or discretionary fund manager** will need to set up a new **model portfolio**.

## **7.15 Equity trading and Investment trust trading**

- 7.15.1** Through the **Service**, investments traded in real time are those listed in clause 7.7.
- 7.15.2** To buy an **investment** using **equity trading** or **investment trust trading**, there must be sufficient cleared funds within your **cash facility** to pay for the trade and any associated charges.
- 7.15.3** There will be a dealing charge associated with the trading of **equities** and **investment trusts**. These will be taken from the **cash facility** at the time you instruct the trading of **equities** or **investment trusts**.
- 7.15.4** You will receive Contract notes, detailing **equity** and/or **investment trust** trades through the **Service**.
- 7.15.5** For sales, we will credit any **settlement** proceeds due to your **cash facility** when we receive them. This will typically be three days after the date of your trade.
- 7.15.6** For purchases, we will ringfence any money due for **settlement** from your **cash facility** at the time you instruct the trading of **equities** and/or **investment trusts**.

- 7.15.7** All stock market transactions will be undertaken in line with the rules of the London Stock Exchange, or the regular terms, customs and usages of the exchange or market in which the transactions are made. Details of how we ensure best execution can be found in the **Aegon UK Retail Order Execution Policy**. You can obtain this by contacting ARC Client Services or it is available through the **Service**. By signing up to these terms and conditions you confirm that you have read the **Aegon UK Retail Order Execution Policy** and agree with its terms.

- 7.15.8** Investments traded by this method are not available for switching, in **model portfolios** or rebalancing.

## **8 Investment servicing and administration**

This clause 8 applies to all **investments** other than the ARC insured funds. Details of the investment servicing and administration of the ARC insured funds is contained in the Arc Insured Funds Policy.

### **8.1 Valuation of investments**

We do not value **investments** but rather, we rely on data supplied by third parties to provide a valuation of the **investments** in your **product wrappers** each **business day**. Valuations are used for certain transactions, such as **forced disinvestment**, rebalancing and the calculation of charges.

From time to time this information may be delayed, assumed or estimated by the third party data provider. We do not accept any liability resulting from delays, assumptions, estimates or errors in any such third party information.

### **8.2 Corporate actions and fund events**

- 8.2.1** Corporate actions and fund events are events that occur periodically and may affect **investments** that you hold. These may change the **investments**, including but not

exclusively, in terms of ownership, structure and features and may involve different options, charges or returns for investors.

**8.2.2** Where a corporate action or fund event does not require **you** to take any action, **we** will notify **you** or **your adviser** of a corporate action that affects an **investment** or fund event **you** hold through the **Service**.

**8.2.3** Where **we** receive sufficient notice from an **investment provider** or **fund manager** as applicable regarding a corporate action or fund event that requires **you** to make a decision, **we** will contact **you** to seek **your** instructions. This communication will be issued as soon as reasonably practicable, following notification from the **investment provider** or **fund manager**, as applicable.

**8.2.4** Where **we** do not receive sufficient notice from an **investment provider** or **fund manager** regarding a corporate action or fund event that requires **you** to make a decision, **we** will apply the **investment provider's** or **fund manager's**, default instruction.

**You** should consult **your adviser** for more information and to undertake any response that may be prompted.

**8.2.5** Where **you** hold **investments** when the action is processed, but have not provided specific instructions, **you** will receive the **investment provider's** or **fund manager's**, default option where available, depending on the corporate action or fund event concerned. Any proceeds in cash will be paid into the **cash facility** of **your product wrapper** within **10 business days** of receipt.

**8.2.6** For any corporate actions and fund events affecting **investments** held within a **model portfolio**, **we**

will contact the **adviser** or **discretionary fund manager** that established the model to seek their instruction. Therefore, **we** will not contact **you** directly in relation to this corporate action or fund event, with the exception of fund suspensions as outlined in clause 7.2.8 above.

**8.2.7 Investments** affected by corporate actions or fund events will be unavailable for transaction while **we** process the corporate action or fund event. Depending on the type of corporate action or fund event this could take up to seven **business days** before the effective date of the action and up to five **business days** after the effective date. However events out with our control may result in this period increasing. During this period the **investment** cannot be bought, sold or switched.

## **8.3 Income events**

### **8.3.1 General**

**8.3.1.1** Where **we** receive **income** in connection with an **investment** **you** hold, **we** will credit the **income** to **your cash facility** as soon as reasonably practicable after we receive it and the appropriate documentation is received, but no later than **10 business days** after it is received. Subject to clause 8.3.1.3, **you** or **your adviser** can provide **us** with instructions using the online **Service** in relation to the **income** credited to **your cash facility**.

**8.3.1.2** Subject to clause 8.3.1.3, **you** or **your adviser** can instruct **us** to do the following:

- i leave the **income** **you** receive in **your cash facility**;
- ii pay the **consolidated natural income** from **your cash facility** to **your nominated bank account** as set out in clause 8.3.2, or

- iii reinvest the **income** in the **investments** the **income** was generated from as set out in clause 8.3.3.

If **we** receive no instructions from **you** or **your adviser** the **income** **you** receive will be added to **your product wrapper's cash facility**.

8.3.1.3 From time to time, there may be certain **investments** in respect of which **we** cannot accept such instructions. **You** can obtain details of any such **investments** from **your adviser** or by contacting ARC Client Services. **Income** received in respect of these **investments** will be credited to **your cash facility** with no option to instruct **us** to pay **consolidated natural income** or reinvest.

8.3.1.4 Where **you** provide **us** with instructions under clause 8.3.2 or 8.3.3, during the period between the **income** being credited to **your cash facility** and the date on which **we** pay the **income** to **your nominated bank account** or **we** reinvest **your income**, as appropriate, the **income** in **your cash facility** is ring-fenced for the purpose of paying the **consolidated natural income** or for reinvestment and will not be used for any other purpose. For example, the **income** will not be used to pay another withdrawal which is due to be deducted from **your cash facility** while there is an instruction in place to pay the **income** out to **you** or reinvest the **income**. This will remain the case until **you** or **your adviser** cancels the instruction.

8.3.1.5 Some **fund managers** will not distribute **income** if this is below a minimum level, in line with the fund prospectus and as set by them. Whether **income** distributions will be made below a certain minimum level depends

on the **fund managers** concerned and details of this will be available from the relevant **fund managers**.

8.3.1.6 From time to time, there may be certain **investments** where **fund managers** will not pay **income** to **us** in cash but will instead reinvest the **income** into the **investment** it was generated from. In this instance **we** will instruct sales to realise the reinvested **income** in cash.

**You** will receive the same amount of cash as **you** would have received had the **income** been distributed to **us** in cash by the **fund manager** in the first instance, however there may be a slight delay in the cash being added to the **cash facility** while **we** are awaiting **settlement**.

### **8.3.2 Payment of consolidated natural income**

8.3.2.1 Subject to clauses 8.3.2.2 and 8.3.2.3, where **you** instruct **us** to pay **consolidated natural income** to **your nominated bank account** all **consolidated natural income** payments due to **you** arising from the **investments** held under a **product wrapper** will be consolidated and paid to **you** on the 12th day of the month (or the preceding **business day** if the 12th day falls on a day that is not a **business day**) (It may take up to three of four **business days** for the payment to be credited to **your** nominated bank account). However **you** may not receive a payment every month as the frequency of **consolidated natural income** payments will depend on the amount and how often each of **your investments** pay **income**. **We** will only pay **consolidated natural income** to **your nominated bank account** once a month where **we** have received the **income** and after **we** have applied it to **your**

product wrapper cash facility.  
**Consolidated natural income** payments are paid separately from any other withdrawals or payments from **your product wrapper**.

8.3.2.2 If **your** instruction in respect of an **investment** that pays **income** is not received by **us** before the **income** payment is received and applied by **us**, any **consolidated natural income** arising from that **investment** will not be paid to **you** until the following month. **You** cannot select **consolidated natural income** from **investments** within a **product wrapper** if **you** are already receiving **regular withdrawals** from that **product wrapper**.

8.3.2.3 Where the amount of **consolidated natural income** to be paid is less than £2.50, **we** will not pay the **consolidated natural income** out to **you** and it will remain in **your cash facility** until the next **consolidated natural income** payment date after it exceeds the minimum. This unpaid **income** will remain ring-fenced for payment out to **you** and will not be used for any other purpose (such as payment of fees or charges) unless **you** or **your adviser** cancels **your** instruction in respect of that **income**.

8.3.2.4 **We** will not be able to accept **your** instruction to pay **consolidated natural income** to **your nominated bank account** in respect of **your SIPP**.

8.3.2.5 Where **we** are notified of **your** death, **we** will cancel **your** payment instruction to pay **consolidated natural income** and any future **income** received will be credited to **your cash facility**, however any payment instruction which has already been processed when **we** are notified of **your** death will not be able to be stopped and that

**consolidated natural income** payment will be paid out to **your nominated bank account**.

### 8.3.3 Reinvestment of income

8.3.3.1 Where **you** instruct us to reinvest the **income**, **we** will typically reinvest **your income** within the next two **Aegon dealing points**, subject to **us** receiving **your** instruction and acceptance of the instructions by the relevant **investment provider** and clause 8.3.3.2.

8.3.3.2 Where the amount of **income** is below the minimum amount set by **us** for reinvestment, **we** will not reinvest the **income** and it will remain in **your cash facility**. The minimum **we** set is in respect of each **investment** rather than on a cumulative basis. This means that if one of **your investments** generates **income** which is below the minimum **we** have set, the **income** for that particular **investment** will remain in **your cash facility** ring-fenced for the purpose of reinvestment until either:

- the **investment** generates further **income** in excess of the minimum and **we** can reinvest **your income**, or
- **you** can cancel the instruction to reinvest, after which the **income** will no longer be ring-fenced. **You** can obtain details of any such minimum amount that applies from time to time from **your adviser** or by contacting ARC Client Services.

8.3.3.3 Where **we** are notified of **your** death or you instruct us to transfer your investments to another provider as set out in clause 10.2, **we** will cancel **your** reinvestment instruction and future **income** received will be

credited to **your cash facility**, however any reinvestment instructions which have already been placed when **we** are notified of **your** death or your request to transfer to another provider will not be able to be stopped and will be completed.

8.3.3.4 Where **you** are invested in accumulation units (these are units in an **investment** which automatically invests any income received back into the **investment**), any **income** earned will be retained in the **investment** rather than paid out as a distribution. **You** will not have the option to instruct **us** to pay out that **income**.

8.3.3.5 **You** can instruct **us** to invest in accumulation units or in units that distribute income in an **investment**. **We** will invest in the type of units **you** chose where they are available. If **we** cannot purchase your chosen type of units, **we** will tell **you** and require a new instruction from **you**.

## 8.4 Voting rights

8.4.1 **We** will not exercise voting rights for any of **your investments** unless **you** have specifically requested **us** to do so and **we** have agreed to this request.

8.4.2 If **you** want to exercise voting rights associated with **investments you** hold, **you** must put this in writing to ARC Client Services, detailing the relevant investments in full, each time **you** want to do so.

8.4.3 **You** must allow 15 **business days** before the voting date to inform **us** of **your** wish to exercise any voting rights. If **we** receive **your** instruction less than this number of days before the voting date, **we** will not be able to action **your** request.

## 9 Servicing

### 9.1 General enquiries

For general enquiries, in the first instance **you** should speak to **your adviser**. If **you** want to contact **us**, please use the following contact details:

Platform Client Services

Aegon Digital Solutions  
Sunderland  
SR43 4DL

03456 80 12 34

[www.aegon.co.uk/support](http://www.aegon.co.uk/support)

### 9.2 Change of client profile and product wrapper information

The following instructions cannot be made online, so must be given in writing and signed by **you** (or all authorised signatories where there is more than one authorised signatory) and sent, where appropriate, with the relevant supporting documentation (for example a marriage certificate for a change of name):

- i change of name;
- ii change of **adviser**;
- iii assignments or changes to **product wrapper** holders;
- iv **product wrapper** closures, and
- v notification to send correspondence to a third party

### 9.3 Documentation and communications from us

9.3.1 **We** will operate within the rules set out by the **FCA** and will send **you** and/or **your adviser**, electronically or by post, such documents as required by all regulations, including, but not limited to:

- i Contract notes or for **SIPP**, Confirmation of investment – contract note, detailing **investments**, subscriptions and **contributions** and **investment** purchases and sales made through **the**

- Service.** Contract notes or for **SIPP**, Confirmation of investment – contract note, will not be issued for transactions resulting from maintenance of the **cash facility**, rebalancing or changes made to a **model portfolio**.
- ii Periodic statements detailing all transactions that have taken place in the period (including those not previously notified to **you** in a Contract note or for **SIPP** Confirmation of investment – contract note) and a valuation of **investments**. Where you have a **GIA**, **ISA** and/or **SIPP** you will receive three monthly statements.  
  
In respect of the **ISA**, **GIA** and **SIPP** (if your **SIPP** contains any **investments**, other than the **cash facility**, that are not under the ARC Insured Funds Policy), **you** have the right to request ad hoc statements also.
  - iii If **you** only have a **SIPP** and if all of the **investments** held within **your SIPP**, other than the **cash facility**, are held under the ARC Insured Funds Policy, the statement will be generated once a year.
  - iv A yearly statement containing details of the total costs and charges deducted from your **product wrapper(s)** over a 12 month period.
  - v In respect of the **SIPP**, where **you** have crystallised some or all of **your** benefits, and some of **your SIPP** is providing or available to provide drawdown, **we** will issue an annual review to **you**.

**9.3.2** In addition, **we** will make the information detailed above available to **you** or **your adviser** online.

## **9.4 Complaints**

**9.4.1** If **you** have a complaint about the **Service** or **product wrapper**, **you** should write to **our** Complaint Manager at the following address:

Complaint Manager  
Aegon Digital Solutions  
Sunderland  
SR43 4DL

**9.4.2** Scottish Equitable plc is authorised by the **PRA** and regulated by the **FCA** and **PRA** and bound by their rules. Aegon Investment Solutions Ltd is authorised and regulated by the **FCA** and bound by its rules. **We** will send **you** details of **our** complaints procedure and what **you** can expect when **we** acknowledge **your** complaint.

**9.4.3** If **your** complaint is not dealt with to **your** satisfaction **you** have the right to refer **your** complaint to the Financial Ombudsman Service free of charge. **You** can see how they can help on their website [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk). **You** must contact them within 6 months from the date **you've** received **our** final response, and their contact details are:

Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR  
  
0800 023 4 567  
(free from a landline or mobile)  
  
0300 123 9 123  
(calls to this number cost no more than calls to 01 and 02 numbers)  
  
[complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

**9.4.4** If **your** complaint relates to **your SIPP** **you** also have the right to refer **your** complaint to the Pensions Ombudsman free of charge. **You** must contact the Pensions Ombudsman within three years of the event **you** are complaining about happening or within three years of when **you** first knew about it (or should have known about it). Their contact details are:

The Pensions Ombudsman  
Service  
10 South Colonnade  
Canary Wharf  
London  
E14 4PU

Telephone: 0800 917 4487

Email: [enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)

Website: [www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

**9.4.5** Where complaints relate to a third party, **we** reserve the right to refer these to the third party and inform **you** that **we** have done this.

## **9.5 Cancellation**

Cancellation does not apply where the joining process is made under the Pensions Act 2008 and relevant regulations made under that Act. This joining process provides **you** with the ability to opt out of a **SIPP** when **you** have been enrolled or auto-enrolled by **your employer** into that **SIPP**. In those circumstances, **we** will comply with the legislative provisions that apply to that process. The following conditions apply where **you** cancel **your product wrapper** within the cancellation period. Where **you** choose to close **your product wrapper** in any other circumstances please refer to clause 11.3.

**9.5.1** When **you** cancel **your product wrapper** within the cancellation period, all **contributions** and transfers will be repaid. The

amount to be repaid will depend on what action has been taken in respect of **your product wrapper** at the time **you** cancel.

### **9.5.2 General**

When **you** opened **your product wrapper** **you** received an illustration which set out the projected costs associated with **your product wrapper** and the **investments** within **your product wrapper**. Amounts deducted on cancellation will be restricted to **our** own costs, **adviser charges** and those costs incurred in relation to **your investment** choices and transactions.

If **your investments** are held only within the **cash facility** during the cancellation period and no trading has occurred, **we** will return any **contribution** or transfer in full to the person who paid it (for example to **you**, **your employer**, a third party or another provider for a transfer) less any **adviser charge** that has been deducted from your cash facility.

If **you** start trading within the cancellation period **you** will be liable for any charges levied by third parties. In addition, if **your investment** has fallen in value before **we** received the cancellation request, **you** may get back less than **you** invested.

The maximum repayment that is possible when **you** cancel is 100% of **your** original **investment**.

On receipt of **your** cancellation instruction, **we** will sell any **investments** **you** have purchased and return any monies to the place from which it was paid, less any charges taken by investment managers and **discretionary fund managers** and any **adviser charges** already deducted from **your cash facility**. **Your**

**investment** may also suffer a loss from market movement and **you** may still be liable to pay any outstanding **adviser charges** under the terms of **your** agreement with **your adviser**.

If **you** cancel after purchasing **investments** that are not easily convertible to cash, **we** may have to delay the return of the monies to **you**. **You** should be aware that this may involve a significant delay.

Where **you** have transferred funds to **us** from **your** previous provider, it may not be possible to reverse the transfer as the previous provider is not obliged to take back the transfer and/or may levy charges in order to do so. If this happens, **you** should seek the advice of **your adviser**.

#### **9.5.3 Regular contributions**

It is only the first **regular contribution** that **you** choose to make that will have cancellation rights. If **you** choose to cancel, any **regular contributions** will be returned to **you** in full, less any **adviser charge** already deducted from **your cash facility**.

#### **9.5.4 Single contributions and transfer**

For single **contributions** or transfers, **you** may get back less than **you** invested if **your investment** value has fallen before **we** received **your** cancellation request. If the value of **your investments** has increased between investing **your contributions**, or transfers, and receiving **your** cancellation, then the sum refunded will be no more than the original value of **your contributions** or transfer.

#### **9.5.5 Adviser charges**

Any **adviser charges** that have left **your cash facility** when **we** receive the cancellation request cannot be refunded to **you**.

### **9.6 Verification of your identity/source of wealth**

**We** are required by the **Money laundering regulations** to verify **your** identity when **you** open **your first product wrapper** and throughout the period that **you** hold a **product wrapper**. In addition, in certain circumstances **we** will need to check where the money **you** are investing in a **product wrapper** comes from.

Where **we** are unable to satisfactorily verify **your** identity and/or the source of any money **you** are investing, at any time **we** may decide to close the **product wrapper**, return the payment and remove **your** access to the **Service**.

Where, for a **SIPP**, **we** are unable to satisfactorily verify **your** identity and/or the source of the money **you** are investing and **we** decide to return the payment to **you** from the **SIPP**, that payment may be an unauthorised payment in terms of the Finance Act 2004. Where this is the case, **we** will deduct the unauthorised payment charge, the scheme sanction charge and any unauthorised payment surcharge due to **HMRC** before **we** return the payment to **you**.

## **10 Payments out (withdrawals, transfers, charges and fees)**

### **10.1 Withdrawals from a product wrapper**

**10.1.1** Whether withdrawals are allowed from a **product wrapper** is closely governed by the individual **product wrapper rules**, so **you** should refer to sections A, B and C.

**10.1.2** All withdrawals will be deducted from the **cash facility** of the **product wrapper** as instructed by **you** or **your adviser** on **your** behalf where this is a **benefit crystallisation event** or income withdrawal within **your SIPP** as detailed in 9 and 13 of Section C. **You** and **your adviser** must make sure that there is sufficient cleared money available in the **cash facility** for these withdrawals to be paid.

**10.1.3** We will pay all proceeds received directly to **your nominated bank account** for this purpose on **your** application or notification to **us** in writing. **Your nominated bank account** must be a UK bank account unless **we** agree otherwise with **you**. If **you** have changed **your nominated bank account** **we** will only make payment once **we** have verified the account. This may result in payment being delayed. All payments will be made in Pound Sterling, including where **you** have nominated a bank account other than one held in the UK and **we** have agreed to make payment to this bank account.

**10.1.4** Payments are made by BACS and are subject to the bank clearing rules.

**10.1.5** All payments made by **us** will be made by bank transfer. Payments will not be made by cheque.

**10.1.6** With the exception of payments related to a **SIPP**, **we** will not make any payments with a value of less than £1.

**10.1.7** **We** will not make withdrawal payments to third parties.

**10.1.8** Where there is a payment out of **your product wrapper**, this will be made after the deduction of any outstanding charges, taxes, fines, or other payments that **we** are required to pay under legislation, regulation or order of a court, tribunal, ombudsman or other similar institution.

## **10.2 Re-registration and transfers from a product wrapper to another provider**

**10.2.1** We will allow re-registration and cash transfers out from the **ISA**, **SIPP** and **GIA** where **we** have received a valid instruction from **you** or given on **your** behalf which requires a fully and correctly completed transfer authority

signed by all holders or required authorised signatories. Current year **ISA** subscriptions, **investments** bought with those subscriptions and any **income** generated from those subscriptions must be transferred out in full.

**10.2.2** Some **investments** have different fund classes, and different providers may hold different fund classes in the same **investment**. If the receiving provider holds a different fund class in any of **your investments** **we** may need to convert **your investment(s)** to that fund class before completing the **re-registration**. Where this is required, **we** will treat **your** request to transfer **your investments** by **re-registration** as **your** permission to carry out any required conversion and pass this permission on to the relevant **fund manager** who will carry out the conversion so that the **re-registration** of **your investments** can be made.

**10.2.3** Not all providers will accept **re-registration** to them.

**10.2.4** Where **you** are re-registering **investments** away from a **product wrapper**, **we** accept no liability for any loss incurred as a result of a delay in this **re-registration** from a **product wrapper**, unless this delay is caused by **our** wilful default or negligence.

**10.2.5** Where **you** want to transfer out part of a **product wrapper**, the value of what remains, after the transfer must not be less than £1,000. Where the value of **your product wrapper** remaining would be less than £1,000, **we** reserve the right to transfer the whole value and close **your product wrapper**.

**10.2.6** If you have outstanding **Aegon charges** related to your **product wrapper**, we will deduct our charges from the **cash facility** of that **product wrapper** before transferring any money out. For a transfer out by **re-registration**, we will not carry out any transfer requested until the outstanding charges are paid.

**10.2.7** If you have instructed us to reinvest income on your investments, as set out in 8.3.3, to prevent delays in transferring your investments, we will cancel your reinvestment of income instruction and any income received while the transfer is in progress will be credited to your cash facility.

### **10.3 Aegon charges and fees**

This section details the charges we take for the provision of the **product wrapper** and **the Service** by us. The actual amounts of these charges are detailed in your **confirmation of application**. Aegon charges will apply for as long as the product wrapper is open.

#### **10.3.1 Annual charge**

10.3.1.1 The annual charge is based on the total value of all **your product wrappers**, held under the same **client profile**. The annual charge is calculated as a percentage of this total, as detailed in the Charges guide and your **confirmation of application**.

10.3.1.2 The annual charge will be applied to each **product wrapper** and taken from the **cash facility** of each **product wrapper**.

If you have **Secure retirement income**, the annual charge will not be applied to that part of **your SIPP** that is invested in **Secure retirement income**. This is because any **Secure retirement income** you have has its own charging structure.

10.3.1.3 Where possible, we will take into account the value of **your other eligible Aegon pension products** that are shown on **the Service** under your **client profile** when calculating the cumulative value of all **product wrappers** held. This could have the effect of reducing the percentage of the annual charge you pay through your **product wrapper**.

10.3.1.4 The annual charge is calculated monthly on an annualised basis and will be deducted monthly in arrears from the **cash facility** of the relevant **product wrapper**. This means that each month it will be calculated as though it was going to apply for one year from that month but only be deducted in relation to that month. It will be calculated and deducted in this way each month.

10.3.1.5 The valuation date of **your total investments** on which the annual charge is based is the last **business day** of the month. The annual charge will then be deducted from **your cash facility** on or around the first **business day** of the next month.

Where the balance of the **cash facility** is insufficient to pay the proportion of annual charge and the **forced disinvestment** process as described in clause 5.4.1 applies, the proportion of annual charge will be deducted from the relevant **cash facility** on or around the sixth **business day** of the month.

Any valuation is based on the latest valuation we hold for the particular **investment** it relates to.

#### 10.3.1.6 Network discounts

If **your adviser** is a member of a **network**, **your** annual charge may receive a **network discount**.

**Your** annual charge will only receive a **network discount** for as long as **you** remain with **your adviser** and **your adviser** remains with the **network**. Where **your** annual charge receives a **network discount**, the **network discount** will not change whilst **you** remain with **your adviser** and **your adviser** remains with the **network**, even if **we** agree a new level of **network discount** with the **network** **your adviser** is part of (whether this is an increased or decreased **network discount**).

If **your adviser** leaves the **network**, the **network discount** will no longer apply to **your** annual charge from the date **your adviser** leaves the **network**. If **your adviser** then joins a different **network** and **we** have agreed a **network discount** with the new **network** then a new **network discount** will apply to **your** annual charge from the date **your adviser** joins the new **network**.

If **you** no longer have an **adviser** any **network discount** to **your** annual charge **you** are in receipt of will no longer apply. If **you** then appoint a new **adviser** who is part of a **network**, **your** annual charge may receive a new **network discount**.

#### 10.3.1.7 Adviser discounts

If **your adviser** is not a member of a **network**, **your** annual charge may receive an **adviser discount**.

**Your** annual charge will only receive an **adviser discount** for as long as **you** remain with **your adviser**. Where **your** annual charge receives an **adviser discount**, the **adviser discount** will not change whilst **you** remain with **your adviser** even if **we** agree a new level of **adviser discount** with **your adviser** (whether this is an increased or decreased **adviser discount**).

If **you** change **your adviser**, any **adviser discount** agreed with **your** previous **adviser** will no longer apply to **your** annual charge. If **you** appoint a new **adviser** who is not part of a **network**, **we** may agree an **adviser discount** with **your** new **adviser** which will apply to **your** annual charge while **you** remain with the new **adviser**.

**You** cannot receive both a **network discount** and **adviser discount**.

10.3.1.8 **You** may be on a different scale from **our** standard tiered scale. **We** will tell **you** if **you** are on a different scale. If **you** are on a different scale then any **network discount** or **adviser discount** will apply to that scale and not the standard tiered scale.

10.3.1.9 Uncleared funds and incomplete transfers are not included in the calculation of the annual charge.

10.3.1.10 If **you** have a **SIPP**, any portion of the annual charge that relates to the ARC insured funds policy are charges that arise under that policy. These charges are payable to Scottish Equitable plc as the provider of that policy.

## 10.3.2 Customer fee

10.3.2.1 You may have a customer fee applied to **your product wrapper**. A customer fee will apply to **your product wrappers** if:

- a customer fee, including the level of customer fee, is detailed on **your Confirmation of application**, or
- **your** charging structure has changed under 10.3.4 of the general section to a charging structure that includes a customer fee.

If **you** have **Secure retirement income**, the customer fee will not be applied to that part of **your SIPP** that is invested in **Secure retirement income**. This is because any **Secure retirement income** **you** have has its own charging structure.

10.3.2.2 The customer fee will be deducted monthly and proportionately across **your product wrappers**. For each **product wrapper**, it is based on the proportionate value of the **investments** under each **product wrapper** as a percentage of the total value of all **investments** under all **your product wrappers** at the time the customer fee is calculated. For example, if the total value of all **your investments** is £100,000 and is made up of:

- a **SIPP** with a value of £50,000 (50% of the total value);
- a stocks and shares **ISA** with a value of £35,000 (35% of the total value); and
- a **GIA** with a value of £15,000 (15% of the total value);

the customer fee is split:

- 50% of the customer fee to be deducted from the **SIPP**;
- 35% of the customer fee to be deducted from the stocks and shares **ISA**, and
- 15% of the customer fee to be deducted from the **GIA**.

10.3.2.3 The customer fee will only increase if **we** agree a new scheme pricing structure with **your** employer if applicable. **We** will notify **you** if this was to happen.

10.3.2.4 The customer fee will not be discounted even where **we** have reached agreement with **your adviser** to discount the annual charge as detailed in 10.3.1.6 or 10.3.1.7 above.

## 10.3.3 Charging logic

10.3.3.1 When the charging structure that includes **your** annual charge (and customer fee, if applicable) is set for **your product wrappers**, this operates as detailed below.

i If **you** leave the employment of **your employer**. When this happens, **you** will retain the charging structure that **you** are on.

If **you** have appointed an **adviser**, or appoint one at a later date, **you** will not move to the charging structure that **we** have agreed with **your adviser**, but will remain on the charging structure **you** were on.

ii If **you** join a new **employer** that provides access to **the Service**. If **you** are on a charging structure that **we** have agreed with a previous **employer**, **you** will not move to the charging structure **we** have agreed

with **your** new **employer**, but will remain on the charging structure that applied to **your product wrapper** when it was set up or amended to when you first joined an **employer** that provides access to **the Service**. If **you** are on a charging structure that **we** agreed with **your adviser**, **you** will move to the charging structure that **we** have agreed with **your new employer**.

iii If **you** appoint a new **adviser**. When this happens, unless **you** are on a charging structure **we** agreed with **your employer** or a previous **employer**, **you** will move to the charging structure **we** have agreed with **your new adviser**. This may be different from **your** current charging structure. **We** will tell **you** where this applies and what **your** new charging structure is. If **you** are on a charging structure **we** agreed with **your employer** or a previous **employer**, **you** will remain on that charging structure and not move to the charging structure **we** have agreed with **your adviser**.

iv If **we** agree a new charging structure with **your current employer** where **your** charging structure is through that **employer**. When this happens, **you** will move to the new charging structure that **we** have agreed with **your employer**. **We** will tell **you** where this applies and what **your** new charging structure is. For the avoidance of doubt,

if **you** leave an **employer** **you** stay on the charging structure **you** were on at the date of leaving that **employer**, if **we** later agree a new charging structure with that **employer**, **you** will not receive this new charging structure.

#### **10.3.4 Income drawdown fee**

10.3.4.1 **We** will apply a drawdown fee, to set up the income payment following the start of **drawdown pension** payments and each year after that. This will be deducted from **your cash facility** on or around the first **business day** of the next month.

10.3.4.2 If no **drawdown pension** payments are taken in the 12 months since the last drawdown pension payment, there will be no charge.

10.3.4.3 If **you** restart **drawdown pension** payments after a 12 month gap, charges will apply as if **you** have set up a new **drawdown pension** payment.

10.3.4.4 The drawdown fee is split equally between all **your SIPP** arrangements that **you** hold within a **client profile** that are paying a **drawdown pension**. If an arrangement contains only **Secure retirement income**, the drawdown fee will be split between the other **SIPP** arrangements within that **client profile** and not be deducted from that arrangement. If **your SIPP** or all **your SIPPs** that **you** hold in that **client profile** contain only **Secure retirement income** at the time the drawdown fee is due, no drawdown fee will be deducted.

For the avoidance of doubt, if **your SIPP** or **SIPPs** within

that **client profile** contain only **Secure retirement income** but the income from **Secure retirement income** is not equal to the **drawdown pension** you have requested, there will be a balance left in **your cash facility** and the drawdown fee will be payable.

### 10.3.5 **UFPLS charge**

We reserve the right to make a charge for processing and paying request for an **UFPLS**, or to introduce a charge in general for processing and making payment of **UFPLSs**. Any charge that we introduce for processing a request for an **UFPLS** will be introduced in accordance with clause 10.3.8. Where we decide to introduce a charge for processing a request for payment of an **UFPLS**, we will tell you of our charges at the point of making such a request.

### 10.3.6 **Withdrawals**

10.3.6.1 No charges will be made for withdrawals (other than **drawdown pension** payments, where an income drawdown fee is charged).

10.3.6.2 No charges will be made for transferring out to another provider either through **re-registration** or cash transfers from **your product wrapper**. The level of the stockbroker fee will be detailed in the Charges guide.

### 10.3.7 **Stockbroker fee**

**Aegon** will apply a stockbroker fee when **you** buy or sell **equities** or **investment trusts** (where **investment trusts** are traded on a real time basis) using **the Service**. The level of the stockbroker fee will be detailed in the Charges guide.

## 10.3.8 **Changes to Aegon charges**

10.3.8.1 During the lifetime of a **product wrapper**, we may need to change **our** charges. A change to **our** charges means:

- levying new types of charges;
- setting minimum charge amounts;
- removing charges, or
- varying the level of an existing charge.

10.3.8.2 Where **we** feel it is necessary to change **our** charges **we** will only do so for one or more of the following valid reasons:

- i. to reflect changes in market conditions and general industry practice relevant to **the Service**, which result in an increase to **our** costs;
- ii. to take account of changes to the law, codes of practice or the way in which **we** are regulated or, changes to the way in which **we** or **you**, are taxed;
- iii. to reflect any changes to the way in which **we** provide **our** services, including changes in the technology **we** use to provide **the Service** and **product wrappers** to **you**;
- iv. to reflect increases in the cost of providing **the Service** and **product wrappers** to **you**, for example, staffing or technology costs;
- v. to take account of a decision by a court, ombudsman, regulator or similar body; and
- vi. to allow for a charge to increase each year in line

with the consumer price index or any replacement of this index. (The consumer price index is an official method of calculating inflation in the UK. It is a measure of the cost of living and reflects changes in the general price level.)

10.3.8.3 Where **we** levy a new type of charge or where **we** vary the level of an existing charge, **we** will set the amount at a level **we** believe is not excessive, and **we** will exercise this right and provide **you** with notice of the change as set out in clause 13.6.2, including details of the change and date on which it will become effective.

10.3.8.4 If **you** are unhappy with a change to **our** charges you have the options set out in clauses 13.6.3 and 13.6.4, including the right to terminate **your** use of **the Service** and close **your product wrappers** without additional charge.

#### 10.4 Adviser charge (including discretionary investment manager charge)

In this section we describe how we can facilitate payments from your product wrapper, to your adviser.

**10.4.1** Payments of **adviser charge** to **your adviser** are specific to each **product wrapper**. **We** facilitate the payment of initial, ongoing and ad hoc **adviser charges** that have been agreed between **you** and **your adviser** and notified to **us** by **you**, or **your adviser** on **your** behalf.

**10.4.2** Payments of **adviser charge** will be deducted from the **cash facility** within the relevant **product wrapper** and paid to **your adviser** by **us** on **your** behalf. At any time **you** can ask

**us** in writing to alter or stop paying any **adviser charge**. However, once the payment of **adviser charge** has been deducted from **your cash facility**, it will be held by Scottish Equitable plc as agent for **your adviser**. This means that once it has left **your cash facility** it is treated as paid to **your adviser** and **your** liability in respect of that **adviser charge** is discharged. Once the payment has left **your cash facility** **we** cannot alter the payment or return the payment to **you**.

**10.4.3** **We** will confirm to **you** the total amount of initial and ongoing **adviser charge** that has been paid or is due to be paid to **your adviser** when **we** confirm the purchase of the **investments** for that application. If the **adviser charge** alters at a later date, **we** will tell **you** of this change.

**10.4.4** Please contact **your adviser** if **you** consider the amount **we** have deducted and paid to **your adviser** on **your** behalf to be incorrect. If there is a dispute between **you** and **your adviser** about the amount of any **adviser charge**, **you** should in the first instance contact **your adviser** and then **us**.

**10.4.5** If there is not enough cash in **your cash facility** to pay any **adviser charge**, the forced **disinvestment** process in 5.4 will apply. Please note that the forced **disinvestment** process does not apply to **Secure retirement income**, this means that if the only **investment** is **Secure retirement income** no **adviser charge** will be paid without **you** or **your adviser** taking action to ensure that there is enough in the **cash facility** to pay the **adviser charge**.

#### 10.4.6 Initial adviser charge

An initial **adviser charge** is a payment **you** agree to make to **your adviser** from a gross **contribution** or cash transfer into **your product wrapper**.

10.4.6.1 The initial **adviser charge** is paid to **your adviser** based on:

- a a percentage of the value of a gross **contribution** or cash transfer to be made, calculated by deducting the stated percentage from the amount placed into the **cash facility**, or
- b a specified monetary amount deducted from the gross **contribution** or cash transfer amount.

10.4.6.2 If **you** are making a cash transfer, regular and single **contributions** at the same time, different types of initial **adviser charge** can be taken from each payment method.

**You** may spread the payment of **your** initial **adviser charge** in respect of regular **contributions** if **we** and **your adviser** agree for up to 36 months. The initial **adviser charge** will then be deducted from **your cash facility**, for the period agreed with **us** and **your adviser** on or around the first **business day** of the month following payment of the gross **contribution** or cash transfer and when **we** have cleared funds.

10.4.6.3 Where **you** set up **your SIPP** by making a **contribution** or transfer (or series of transfers) within the application setting up **your SIPP**, and immediately **crystallise** all of this contribution or transfer, **we** will calculate the **initial adviser charge** after the deduction of any excess lifetime

allowance charge and **pension commencement lump sum**.

In all other circumstances, **we** will calculate the **initial adviser charge** after the deduction of any excess lifetime allowance charge but before any **pension commencement lump sum** has been deducted.

10.4.6.4 In the event of **your** death whilst some initial **adviser charge** is still due, unless it has been deducted from **your cash facility**, **we** will stop facilitating any outstanding initial **adviser charge**. Any payments that were deducted from **your cash facility** before **we** are notified of your death will be paid to **your adviser**.

#### 10.4.7 Ongoing adviser charge

The ongoing **adviser charge** can be paid on a monthly or quarterly basis as agreed between **you** and **your adviser**. The way in which the ongoing **adviser charge** is calculated depends on whether the ongoing **adviser charge** is paid quarterly or monthly.

10.4.7.1 Where the ongoing **adviser charge** is paid on a monthly basis it will be calculated as follows:

- a a percentage based ongoing **adviser charge**. **We** will value **your product wrapper** on the last **business day** of each month and apply the percentage to this value to calculate how much ongoing **adviser charge** is to be paid. The ongoing **adviser charge** will then be deducted on or around the first **business day** of each month, or

- |                                     |  |  |
|-------------------------------------|--|--|
|                                     | <p><b>b</b> a specified monetary amount deducted on or around the first <b>business day</b> of each month.</p>   | <p>will send confirmation to <b>you</b> of the amount that <b>we</b> have paid to <b>your adviser</b>.</p>   |
| 10.4.7.2                            | <p>Where the ongoing <b>adviser charge</b> is paid on a quarterly basis it will be paid as a specified monetary amount deducted on or around the first <b>business day</b> of the month following the end of the quarter.</p>  | <p><b>10.4.9 Discretionary investment manager charge</b></p>   |
| 10.4.7.3                            | <p>Ongoing <b>adviser charge</b> may be set up or amended following the opening of a <b>product wrapper</b>. <b>We</b> will accept instructions from <b>your adviser</b> to set up or amend, including increasing the ongoing <b>adviser charge</b> online. <b>We</b> can also accept instructions in writing to increase ongoing <b>adviser charge</b> signed by <b>you</b>. <b>We</b> will send confirmation to <b>you</b> when an ongoing <b>adviser charge</b> is set up or amended.</p> | <p>10.4.9.1 Where you, or your adviser on your behalf, instruct us to pay a discretionary fund manager charge, payments to your <b>discretionary fund manager</b> are specific to each <b>product wrapper</b>.</p>   |
| 10.4.7.4                            | <p>In the event of <b>your death</b> <b>we</b> will stop facilitating any ongoing <b>adviser charge</b>, unless it has been deducted from <b>your cash facility</b>. Any payments that were deducted from <b>your cash facility</b> before <b>we</b> are notified of <b>your death</b> will be paid to <b>your adviser</b>.</p>  | <p>10.4.9.2 Payments will be deducted from the <b>cash facility</b> within the relevant <b>product wrapper</b> and paid to <b>your discretionary fund manager</b> by <b>us</b> on <b>your</b> behalf. Once the payment has been deducted from <b>your cash facility</b>, it will be held by Aegon Investment Solutions Ltd or Scottish Equitable plc as agent for <b>your discretionary fund manager</b>. This means that, once it has left <b>your cash facility</b>, it has been paid to <b>your discretionary fund manager</b> and cannot be altered or returned by <b>us</b>.</p>  |
| <b>10.4.8 Ad hoc adviser charge</b> | <p>Ad hoc <b>adviser charges</b> are one-off charges that <b>you</b> agree to be paid to <b>your adviser</b>.</p>  | <p>10.4.9.3 The <b>discretionary investment manager charge</b> due is a percentage charge. <b>We</b> will value <b>your product wrapper</b> on the last <b>business day</b> of each month and apply the percentage to this value to calculate how much <b>discretionary investment manager charge</b> is to be paid. If <b>you</b> have <b>Secure retirement income</b>, the <b>discretionary investment manager charge</b> will not include that part of <b>your SIPP</b> that is invested in <b>Secure retirement income</b> when calculating this charge. The <b>discretionary investment manager charge</b> will then be deducted from <b>your cash facility</b> on or around the first <b>business day</b> of each month.</p> |
| 10.4.8.1                            | <p>Ad hoc <b>adviser charges</b> are calculated and paid as follows:</p> <p><b>a</b> a percentage based on the value of <b>your product wrapper</b>, and</p> <p><b>b</b> a specified monetary amount.</p>  |  |
| 10.4.8.2                            | <p><b>Your adviser</b> must instruct the payment of the ad hoc <b>adviser charge</b> online. On receipt of <b>your adviser's</b> instruction, <b>we</b></p>  |  |

- 10.4.10 The **adviser charges** and **discretionary investment manager charges** you have agreed to pay **your adviser** and **discretionary fund manager** are a matter between **you** and **your adviser** and **discretionary fund manager**. When we pay the **adviser charge** or **discretionary investment manager charges**, this is a payment **we** are making at **your** direction and on **your** behalf. It is not a payment for any services provided by **your adviser** and **discretionary fund manager** to **us**. Payment of the **adviser charge** and **discretionary investment manager charge** is separate to any charges that **you** may be required to pay **us** or for **your product wrapper**.
- 10.4.11 We will pay the **adviser charge** and **discretionary investment manager charge**, while **your product wrapper** is in force. **You** may remain liable to pay **your adviser** the **adviser charge**, and **your discretionary fund manager** the **discretionary investment manager charge** if there is insufficient money in the **cash facility** of **your product wrapper**, or the **adviser charge** and **discretionary investment manager charge** is stopped, unpaid or re-credited to **your product wrapper**. **You** should check the terms of **your** agreement with **your adviser** and/or **discretionary fund manager** for details about **adviser charges** and **discretionary investment manager charges**.
- 10.4.12 We will not pay interest to **you** or **your adviser** and **discretionary fund manager** for the non-payment or late payment of an **adviser charge** and **discretionary investment manager charge**.
- 10.4.13 We can stop the payment of all or part of an **adviser charge** and **discretionary investment manager charge** for any of the following reasons:
- **we** no longer have a relationship with **your adviser** and **discretionary fund manager**;
  - **we** reasonably believe the payment of **adviser charge** and **discretionary investment manager charge** would be contrary to law or regulation;
  - **your adviser** and **discretionary fund manager** is no longer authorised;
  - **your adviser** and **discretionary fund manager** ceases to trade; and
  - **you** or **your adviser** instruct **us** that **you** no longer want to remain invested in a **model portfolio** provided by the **discretionary fund manager**.
- 10.4.14 We expect that most **adviser charges** and **discretionary investment manager charges** will not be subject to VAT, however some may be so. We will treat all instructions from **you** to pay **adviser charges** and **discretionary investment manager charges** as including any VAT where it is applicable at the rate prevailing at the time of the payment of the **adviser charge** and **discretionary investment manager charge** and taking into account any changes to the rate of VAT howsoever occurring. We will not require **you** to provide any further instructions where the rate of

VAT has changed. **You** should discuss this with **your adviser** and **discretionary fund manager** who will be responsible for accounting for VAT where this is applicable.

## 11 Product wrapper closure

**11.1** **You** can close **your product wrapper(s)** at any time by asking **us** to withdraw all the **investments** in them, or asking **us** to transfer them to another appropriate provider.

**11.2** If:

- **you** are unhappy with any changes **we** make to these terms and conditions; or
- **you** otherwise want to terminate **your** use of **the Service** and close all **your product wrappers**,

**you** may terminate the agreement between **you** and **us** formed by these terms and conditions by writing to our ARC Support team.

**You** will need to tell **us** what to do with **your investments**. **You** can ask **us** to withdraw all the **investments** in **your product wrappers** or to transfer them to another appropriate provider. **We** will complete any instructions **we** have already started for **you** and these terms and conditions will apply until **we** complete all of those instructions and pay out any money **we** owe **you**.

**11.3** If **you** withdraw all of **your investments** and cash from a product, **we** reserve the right to close that **product wrapper**.

**11.4** **We** may cease to accept further **contributions** or transfers, or to close a **product wrapper**, if **we** deem it appropriate and reasonable to do so either:

- by giving **you** at least three months' notice; or
- without notice under clause 9.6, or where **you**, a third party who is paying **contributions** on **your** behalf or **your** employer are named on a sanctions list as described in clause 6.2.5 or

**you** are no longer resident in the UK or **you** become a citizen of another country, provided **we** inform **you** of this immediately.

**We** may refuse to accept further **contributions** or transfers, or close a **product wrapper**, by giving **you** advance notice in any of the following **circumstances**:

- i Following receipt of a court order obliging **us** to close the **product wrapper**.
- ii **Your product wrapper** has a balance of less than £1,000 for three or more consecutive months and **you** are not paying in **regular contributions**.
- iii **You** have assigned **your investments** to a third party without **our** agreement (with the exception of any **GIA** that has been taken out through a product with **another provider**).
- iv **You** cease to become eligible to contribute to the **product wrapper** by ceasing to be habitually resident in the UK.
- v **You** are using **your product wrapper** for illegal purposes.
- vi The details **you** gave in, and the declarations **you** accepted in **your** application for **your product wrapper(s)** are incorrect and, had **your** application been correct, **we** would not have accepted **your** application for a **product wrapper(s)**.
- vii **You** commit a material breach of these terms and conditions or any other documents that apply to **your product wrapper(s)** or **the Service**.
- viii Allowing **you** to contribute or transfer in would breach legislation or **HMRC** or **FCA** regulations.
- ix Where **we** determine that there has been no movement on **your cash facility** balance for a period of at least 12 months.

**11.5** Where **we** will give **you** notice in advance of **our** intention to close a **product wrapper**, **we** will do this by writing to the address **we** hold for **you** against **your client profile**, giving **you** 60 days to respond before terminating unless **we** are required by law to act sooner. **We** will close **your** product after the 60 days notice period has expired.

**11.6** On the date of closure, all remaining **investments** will be sold and the proceeds deposited in the **cash facility** for the **product wrapper(s)**. After the deduction of any outstanding charges, the balance of each such **cash facility** will be paid into **your nominated bank account**, with the exception of the balance of the **cash facility** of the **SIPP**, which must be paid to a **registered pension scheme** or qualifying registered overseas pension scheme, or where **you** are eligible to take retirement benefits, **you** may choose that the proceeds are paid in accordance with clause 9 of section C.

Where we do not have a nominated bank account for you we will close your product and retain your balance in our client money account until you claim it. The client money account does not pay interest.

**11.7** Where clause 11.1 ix applies, if **we** are not able to return the balance in **your cash facility** to **your nominated bank account**, **we** will keep that balance. If, at a later date **you** make a claim for this balance, **we** will repay it to **you**.

## **12 Aegon**

**12.1** Aegon Investment Solutions Ltd, trading as **Aegon**, is authorised and regulated by the **FCA** and provide the **ISA** and **GIA**. Aegon Investment Solutions Ltd's **FCA** Registration Number is 543123.

Aegon Investment Solutions Ltd, a company registered in Scotland with registered number 394519 of Edinburgh Park, Edinburgh EH12 9SE.

**12.2** Scottish Equitable plc, trading as Aegon, is authorised by the **PRA** and regulated by the **PRA** and **FCA** and provides the **SIPP**.

Scottish Equitable plc's **FCA** Registration Number is 165548.

Scottish Equitable plc is a company registered in Scotland with registered number SC144517 of Edinburgh Park, Edinburgh EH12 9SE.

**You** can check these details on the **FCA** register at [fca.org.uk/register](https://fca.org.uk/register) or by contacting the **FCA** on 0300 500 0597.

The **FCA's** address is:

Financial Conduct Authority  
12 Endeavour Square  
London  
E20 1JN

**12.3** Our nominee companies are wholly owned subsidiaries of Aegon UK plc and the actions of these **nominee companies** remain **our** full responsibility at all times, in compliance with **FCA** regulations including the Regulated Activities Order, which provides the exemption for nominees from **FCA** authorisation. **We** undertake to be responsible for the safeguarding and administration of investments as if **we** were the nominee itself.

## **13 Legal notices**

### **13.1 Conflicts of interest policy**

**Aegon** maintains a conflicts of interest policy. The policy is available on request by writing to ARC Client Services, (address details in clause 9) or through the **Service**.

### **13.2 Aegon UK Retail Order Execution Policy**

The **Aegon UK Retail Order Execution Policy** is available on request by writing to ARC Client Services, (address details in clause 9) or through the **Service**. **You** must read the policy prior to trading.

### **13.3 Limitation of liability**

**13.3.1** Where **you** receive any correspondence from **us** that contains any incorrect details or errors in relation to **your product wrappers** that relate to:

- **your, your adviser's or your employer's** details;

- any changes to those details;
- any transactions carried out within **the Service**;
- any charges;
- any payments to or from a **product wrapper**, or
- any other information provided by, or action taken by, **you, your adviser or your employer**.

**you** must notify **us** of any such error(s) within 30 days of receiving any incorrect details or errors. The 30-day period will be from the time of sending of any electronic correspondence or the third **business day** after **we** send out any written correspondence.

- If **you** notify **us** within 30 days, **we** will correct the details or error where it is possible to do so. **We** will not be liable for any loss unless this was as a direct result of **our** negligence, wilful default or fraud.
- If **you** notify **us** outside of this 30-day period, **you** accept and acknowledge that any compensation payable for loss suffered or sufferable will be restricted to the value of the loss within the 30-day period, and **you** will **indemnify us** against any payment **we** make in relation to a claim in respect of any loss suffered as a result of any such discrepancy or error to the extent that such payment exceeds the value of the loss within this 30-day period.

**13.3.2 We** are not liable to **you** for any **adviser charges, discretionary investment manager charges, costs, charges, expenses, taxes, levies or other liability of whatever description that have occurred or accrued or have been triggered by us** following an instruction from **you, your adviser or your**

**employer** (or which **we**, acting in good faith, believe to be from **you, your adviser or your employer**), or by **us** exercising **our** rights under the Terms and conditions of **the Service** or any particular **product wrapper** **you** hold.

**13.3.3 You** agree to release and **indemnify us** from, and against, any and all costs, claims, demands, losses, expenses and liabilities suffered by **us** in acting in reliance on an instruction given by **you, your adviser or your employer** (or which **we**, acting in good faith, believe to be given by **you, your adviser or your employer**).

**13.3.4** Neither **you**, nor **we**, will be liable to the other in contract or otherwise for any indirect loss or damage. **We** will not pay for any losses that are not directly associated with the incident that caused **you** to claim (for example, loss of business, loss of data, loss of profits and third-party claims), whether or not that loss or damage was foreseeable.

**13.3.5 You** **indemnify us** against all liabilities incurred by **us** in connection with **your investments** and **client profile**, other than liabilities caused as a direct result of **our** negligence, knowing default, fraud or breach of the **FCA** rules or breach of contract.

In general, **we** are not liable for:

- any **force majeure events** and for events outside **our** reasonable control;
- any acts or omissions of any third-party service provider to the extent that these are outside of **our** control;
- acts, errors, omissions, defaults, frauds, or any other actions of any third party with or through whom **investments** are held;

- fluctuations in **investment** values (including those occurring during any period in which any verifications necessary under the **money laundering regulations** requirements are being undertaken), and
- any loss resulting from any delay in the payment or transfer of funds to **us**.

**13.3.6** We are not liable or responsible for **investments** or instructions received in relation to **investments** until clear funds are received from **you** or any other source of funds such as a third party, employer or transfer.

**13.3.7** Notwithstanding the foregoing, the limitations in this clause will not be applied where it would limit liability for death, personal injury, negligence, wilful default, or any other liability in respect of which limitation is prevented by law from time to time.

**13.3.8** Nothing in these Terms and conditions will exclude or restrict to an extent prohibited by the rules of the **FCA**, any duty or liability **we** may have under the regulatory system (as defined by the rules of the **FCA**). Nothing in these Terms and conditions will exclude any obligations **we** may have in law.

## 13.4 Taxation

Tax treatment depends on **your** individual circumstances. Any tax information provided is based on **our** understanding of current law and **HMRC** practice, which may change.

## 13.5 Information and data protection

**13.5.1** Where **you** receive correspondence from **us** that contains any incorrect details or errors in relation to **your product wrappers** that relate to:

- **your, your adviser or your employer's** details;
- any changes to those details;
- any transactions carried out within **the Service**;
- any charges;
- any payments to or from a **product wrapper**; or
- any other information provided by, or action taken by **you**,

**you** must notify **us** of any such error(s) as soon as **you** become aware of them.

### 13.5.2 How we use your information

The following section explains how **we** will use any personal information **we** collect about **you**.

**13.5.3** We will only use the information **you** have provided for the operation of the **client profile** and **product wrapper(s)** **you** hold with **us**. We will only give out this information to people with whom **we** deal with in the day-to-day operation of **your product wrapper(s)** (including the provider of any product through which **you** have a **GIA**), to people acting as **our** agents, to **your adviser, your discretionary fund manager** (where **you** have provided them with the right to this data, by signing an agreement with them), any other third party that has the relevant permission to receive this information, or as required by law on the understanding that the information will be kept confidential.

**We** may also give out this information, unless **you** tell **us** not to, together with a list of the investments **you** hold under **your product wrappers** and the value of those **product wrappers** to the **scheme adviser** where they are providing additional service(s) that may be of benefit to **you** in relation to **your product wrappers**.

**We** will not use **your** information for marketing purposes without **your** permission.

**13.5.4** **We** may transfer **your** information to other countries, which could involve processing information outside of the European Economic Area (EEA). However, where such processing takes place, appropriate controls are in place to ensure the protection of **your** information.

**13.5.5** **You** have the right to request a copy of all the information **we** hold about **you**. If **you** want to submit a subject access request to **us**, please write to **our** Data Security and Privacy Manager at the following address:

Data Security and Privacy Manager  
Aegon  
Edinburgh Park  
Edinburgh EH12 9SE

**13.5.6** **We** will record and monitor telephone calls with **you** and will hold these recordings for such periods of time as required by applicable law and regulation.

## **13.6 Amendments to the Terms and conditions**

**13.6.1** In addition to **our** right to change **our** charges under clause 10.3.8, **we** can amend any other element of these terms and conditions from time to time where **we** consider it necessary to make the change for the following valid reasons:

- a** where **we** consider it will make these terms and conditions easier to understand or fairer to **you**;
- b** to correct any errors, omissions or inaccuracies in these terms and conditions;
- c** to allow **us** to provide an improved, more efficient or lower-cost service to **you**;

- d** to provide additional services, facilities or options to **you**;
- e** where **we** need to make changes for the ongoing provision of **the Service** and **product wrappers** **we** provide to **you** but which may operate to **your** disadvantage;
- f** to vary the minimum **contribution** or payment amounts, vary the maximum or minimum **product wrapper** value, or vary the withdrawal amounts from **product wrappers**, or
- g** where:
  - i** **we** are required to respond to any changes to legislation or regulations, or
  - ii** to take account of codes of practice; consumer standards; or any decisions made by a court, ombudsman, regulator or similar body.

**13.6.2** Where **we** are going to amend these terms and conditions for any of the reasons listed in clause 13.6.1 (a) to (g) or change **our** charges under clause 10.3.8, **we** will exercise those powers of amendment in a reasonable and proportionate manner, and will only do so where **we** provide prior written notice to **you**. **We** will provide at least one month's prior written notice of any such amendment unless doing so would result in **us** being unable to comply with legal or regulatory changes, in which case **we** will provide **you** with as much notice as possible.

**13.6.3** If **you** are unhappy with the proposed changes to these terms and conditions, or proposed changes to **our** charges, **you** should notify **us** of this. **You** have

the right to terminate **your** use of **the Service** and request that **we** close all **your product wrappers** and pay the proceeds to **your nominated bank account** or transfer **investments**, or the proceeds of their sale to another provider, where applicable.

- 13.6.4** Where **you** request that **we** terminate **your** use of **the Service** and that **we** close all **your product wrappers** in accordance with clause 13.6.3, this will be carried out in accordance with clause 11.2 and will be at no additional cost to **you**.

However, **we** will deduct all outstanding charges accrued to the date **we** notified **you** of the changes to these terms and conditions. Where **you** hold a **SIPP** **we** are unable to pay the proceeds to **you** – the proceeds must be paid to another registered pension scheme or **QROPS**.

- 13.6.5** These terms and conditions will be superseded by any more recent versions, which will incorporate any changes made under this clause.

## **13.7 Law and jurisdiction**

- 13.7.1** The law that applies to **your product wrapper** and the Terms and conditions will depend on where **you** are habitually resident at the time **your product wrapper** starts. If **you** are habitually resident in:

- a** England and Wales, **we** will treat **your product wrapper** as having been taken out in England and Wales and the laws of England and Wales will apply;
- b** Scotland, **we** will treat **your product wrapper** as having been taken out in Scotland and the laws of Scotland will apply, and

- c** Northern Ireland, **we** will treat **your product wrapper** as having been taken out in Northern Ireland and the laws of Northern Ireland will apply.

For the purposes of this clause, **we** will treat **you** as being habitually resident at the address on **your** application for a **product wrapper** or the address that **your employer** advises **us** is **your** address when the **product wrapper** is set up.

- 13.7.2** If you are habitually resident elsewhere, **we** will treat **your product wrapper** and the Terms and conditions as having been effected in Scotland, and the laws of Scotland will apply.
- 13.7.3** If **you** apply for additional **product wrappers**, each **product wrapper** will be treated separately for the terms of this clause.

## **13.8 Notices**

- 13.8.1** Unless otherwise directed in these Terms and conditions, all notices should be sent to ARC Client Services (at the address shown in 9).
- 13.8.2** If **you** make a request, instruction or notification under these Terms and conditions, **you** must do this in writing. **We** will only accept or act upon it when **we** receive it at ARC Client Services. **You** must also send **us** any documents and information that **we** need to carry out **your** request or instruction. All written instructions must be in English and must be clear and easy to understand. No one else is authorised to accept any requests, instructions or notifications on **our** behalf.
- 13.8.3** When **we** write to **you** or any other person on **your** behalf, **we** will treat **our** letter as having been received by **you**, or that other person, three **business days** after

posting **our** letter to:

- a **your** last known address (or the other person's last known address), or
- b the last known address of **your** agent (or the other person's agent).

### 13.9 Electronic messages

**13.9.1** The **Service** is conducted mainly in an online environment. Any electronic message that is given through **the Service** in this online environment will be treated as a written communication in line with this clause.

**We** will tell **you** within these Terms and conditions where actions under these Terms and conditions are not conducted in an online environment. Other parts of **the Service**, for example certain statements, Contract notes, some items that **we** must send to **you** or **you** must send to **us**, and some correspondence may be conducted outside of the online environment.

**13.9.2** **We** will treat an electronic message as a written communication received at ARC Client Services if:

- a **we** have told **you** in writing that **we** will accept an electronic message for a specific purpose and **your** electronic message is for that specific purpose;
- b **we** have told **you** what type of electronic message **we** will accept for that specific purpose from time to time, and
- c **we** have told **you** where to send that message.

**13.9.3** **We** will treat the message as being received when **we** receive it at that electronic address. This will be when it enters **our** system provided that no error message

indicating failure to deliver has been received by **us**.

**13.9.4** **We** will treat **our** electronic message as having been received by **you** on the day **we** send the electronic message to the electronic address **you** have given to **us** for use with **the Service** unless **we** receive an error message telling **us** that it has not been successfully delivered.

**13.9.5** While **we** will try to ensure best endeavours at all times, **we** do not guarantee:

- a that any electronic messages sent to or by **us** will be secure;
- b that any electronic messages sent to or by **us** will be free from interception and/or change, and
- c the routing of any electronic message or the time of delivery or receipt.

**We** are not liable for any viruses received by **you** through electronic messaging.

**13.9.6** Where an electronic message is sent by **you** or **your** agent, **you** are liable for any damage or loss caused either directly or indirectly by the use of the electronic message or in relation to that use.

**13.9.7** **We** can act on an electronic message that **we** reasonably believe comes from **you** or **your** agent. **We** do not need to verify the sender of the message or their authority to send it.

**13.9.8** It is **your** responsibility to make sure that any electronic message **you** or **your** agent sends **us** is actually received by **us**. **We** have no liability for messages sent to an incorrect electronic address.

**13.9.9** An electronic message that does not comply with this clause is not a valid communication for **your** Terms and conditions.

**13.9.10** We regularly monitor electronic messages. We hold electronic messages for such periods of time as required by applicable law and regulation.

## **13.10 Fax**

**13.10.1** We will treat a fax as a written communication received at ARC Client Services if:

- a we have told you in writing that we will accept a fax for a specific purpose and your fax is for that specific purpose, and
- b we have told you the fax number to send that fax to

**13.10.2** We will treat the fax as being received when we receive it at that fax number.

**13.10.3** We can act on a fax that we reasonably believe comes from you or your agent. We do not need to verify the sender of the fax or their authority to send it.

**13.10.4** It is your responsibility to make sure that any fax you or your agent sends us is actually received by us. We have no liability for faxes sent to an incorrect fax number.

**13.10.5** A fax that does not comply with 13.10 is not a valid communication for your Terms and conditions.

## **13.11 Transfer of business**

**13.11.1** In the event that we transfer our business to another person, including to one of our group companies, your cash facility and any other account that we may use to transfer money to, from and within your product wrapper will form part of this transfer. In accordance with the relevant FCA rules that regulate client money and are contained in the Client Assets Sourcebook part of the FCA Handbook:

- a these terms and conditions are the agreement between you and us to allow such a transfer to take place;
- b any money transferred is transferred on terms which require the other person to return your transferred sums to you as soon as practicable at your request in accordance with these terms and conditions; and
- c Any client money that is transferred and that is covered by the client money rules in the FCA Handbook will be:
  - i held by the other person for you in accordance with the relevant client money rules contained in the FCA Handbook. or
  - ii if not held in accordance with a), we will exercise all due skill, care and diligence in assessing whether the other person to whom your cash facility (and any other account) is transferred will apply appropriate measures to protect these sums.

**13.11.2** If we transfer our business and this clause applies, we will provide information to you in accordance with any relevant legislative or regulatory requirements. These Terms and conditions will still continue to apply to your product wrapper.

# Product wrapper specific terms

In the following sections A, B and C you will find terms that specifically relate to the individual product wrappers.

## Section A – the Aegon General Investment Account (GIA)

### 1 Opening a GIA

- 1.1 To open a **GIA**, you must be 18 years of age or over.
- 1.2 A **GIA** can be opened under a product with **another provider**. This can only happen where **we** agree with **your** other provider to accept such an application.

### 2 Joint holders

- 2.1 We allow up to four joint holders for the **GIA**.
- 2.2 Joint holders are jointly and severally liable for their obligations under the Terms and conditions of the **GIA**.
- 2.3 Where there is more than one holder of the **GIA**, and where instructions are required in writing (see ‘Servicing’ clause 9 of the general section), **we** can only accept instructions signed by all the holders. Where the **GIA** is owned under a trust agreement or by a corporate body, **we** will require the relevant number of signatures identified in the authorised signatory list and any associated trust documents.
- 2.4 Only one copy of any documentation will be sent by **us**. It will be addressed to all holders using either the correspondence address recorded or the address of the first named holder if no correspondence address has been recorded.
- 2.5 The **adviser** can only give one set of user credentials to allow access to view the joint **GIA** account online.

### 3 Tax treatment within a GIA

The tax treatment within the **GIA** depends on individual circumstances and who the holder of the **GIA** is.

- 3.1 Interest paid on cash held within the cash facility of your **GIA** will be paid net of basic rate tax, which will be deducted at source and paid to HMRC.
- 3.2 Interest distributions/dividends received from UK investments held within your **GIA** will be paid gross of tax.
- 3.3 It is your responsibility to correctly account for or reclaim any tax due.

### 4 Contributions

The following limits apply:

Type of contribution	Minimum amount	Maximum amount
Initial	£1,200	No maximum
Regular	£100 a month	No maximum
Additional lump sum	No minimum	No maximum
Re-registration of investments	£250	No maximum

### 5 Withdrawals

#### 5.1 Partial withdrawals

- 5.1.1 The minimum amount for a partial withdrawal is £100.

#### 5.2 Regular withdrawals

- 5.2.1 The minimum **regular withdrawal** is £25 for each payment. A **regular withdrawal** can be set up to be paid monthly, quarterly or yearly. **Regular withdrawal** instructions will leave the **cash facility** on or around the sixth **business day** of the month, unless we agree another date with you.

## **6 Death of a GIA holder**

- 6.1** Where **you** are an individual holding a **GIA**, on notification of **your** death **we** will continue to hold all **investments** in the **GIA** along with any cash holdings in **your cash facility** until **we** receive formal documentation appointing the legal personal representatives of **your** estate that is acceptable to **us**. When **we** receive this, **we** will recognise the legal personal representatives of the estate as the holder of the **GIA**.
- 6.2** Where **we** receive instructions from **your** legal personal representatives to sell **investments**, it is possible that **investments** may not be readily realisable, such as **investments** that deal irregularly or infrequently, or have dealing minimums that have not been reached. In these circumstances, **we** will defer payment of the proceeds of the sale of the **investments**. The proceeds of any **investments** that are not readily realisable will be made available as soon as **we** can sell these **investments**. **You** and **your** legal personal representatives should be aware that this may involve a significant delay.

- 6.3** **Your** legal personal representatives will need to instruct the sale of any **equities you** have purchased. **We** cannot instruct the sale of such **investments** on behalf of **your** estate.
- 6.4** Where the **GIA** has multiple holders and **we** are notified of the death of one of the holders, the **GIA** will automatically pass to the surviving holders.
- 6.5** Where **your GIA** is through a product with **another provider**, that product will determine what happens on death. **Your** other provider will tell **us** what action to take in the event of **your** death.

## Section B – the Aegon Individual Savings Account (ISA)

### 1 Opening an Aegon ISA

**1.1** To be eligible to make subscriptions to an **ISA** that are not **additional permitted subscriptions**, you must:

- be an individual;
- be aged 18 or over;
- be resident and ordinarily resident in the United Kingdom or, if not so resident, be performing duties as a Crown employee serving overseas and paid out of the public revenue of the United Kingdom (typically a serving member of the armed forces, or a diplomat), or be married to, or in a registered civil partnership with, such a person;
- not have subscribed to another stocks and shares **ISA** in that tax year except in certain circumstances prescribed by legislation (such circumstances include, but are not limited to, where you pay only **additional permitted subscriptions** to that other stocks and shares **ISA**), and
- not have exceeded the overall subscription limit details of which can be found on **the Service** or from **HMRC** or **your adviser** (if you have one).

**1.2** To be eligible to make **additional permitted subscriptions** to an **ISA** you must:

- be an individual;
- be aged 18 or over;
- be resident and ordinarily resident in the United Kingdom or, if not so resident, be performing duties as a Crown employee serving overseas and paid out of the public revenue of the United Kingdom (typically a serving member of the armed forces, or a diplomat), or be married to, or in a registered civil partnership with, such a person;
- have an **additional permitted subscription allowance** that has not been fully used;

- not have made any subscriptions in relation to that **additional permitted subscription allowance** to another **ISA** manager, and
- be making the **additional permitted subscription** within the **permitted period**.

**1.3** You must provide **us** with any information, evidence and declarations required under the **ISA Regulations** in relation to any subscriptions you make or intend to make to **your ISA**. For more information on these requirements, please speak to **your adviser** (if you have one) or through **the Service**.

**1.4** On **your** first application to make an **additional permitted subscription** to an **ISA** in relation to an allowance arising from a deceased investor's **ISA(s)** with **us**, **we** will provide you with a statement of the **additional permitted subscription allowance** within 30 days of the day **we** receive all the information and declarations as required by the **ISA Regulations**.

**1.5** On **your** first application to make an **additional permitted allowance** to an **ISA** in relation to an allowance arising from a deceased investor's **ISA** with another **ISA** manager, **we** will contact that other **ISA** manager with the timescales set out in the **ISA Regulations** to obtain the information, declarations and undertakings specified in the **ISA Regulations**.

### 2 General

**2.1** The **ISA Regulations** will take precedence over these Terms and conditions.

**2.2** Aegon Investment Solutions Ltd, an **HMRC** – approved **ISA** manager, will undertake to operate **your ISA** in accordance with the **ISA Regulations**. Our registered plan manager number is Z1775.

**2.3** We will satisfy ourselves that any person to whom **we** delegate any functions or responsibilities under the Terms and conditions agreed with **you** is competent to carry out those functions and responsibilities.

**2.4** We must notify **you** if, by reason of any failure to satisfy the provisions of the **ISA Regulations**, your **ISA** has, or will, become void.

**2.5** Your Aegon ISA is a flexible ISA as defined in the **ISA Regulations** further details of what this means can be found on the **Service**.

### **3 Transfers and withdrawals**

#### **3.1 Transfers**

**3.1.1** If **you** instruct **us** to do so, an **ISA**, or part of an **ISA**, shall be transferred to another ISA manager in accordance with the **ISA Regulations** relating to transfers, within the time stipulated by **you**.

**3.1.2** We can specify a minimum period which must not exceed 30 days for the time stipulated by **you** for **us** to carry out the transfer to another ISA manager. This period is required to allow **us** sufficient time to carry out the transfer. **You** will be informed of this minimum period when **you** request a transfer.

**3.1.3** If **you** instruct **us** to transfer part of **your ISA** to another ISA manager, current year subscriptions must be transferred in full. If **you** instruct the transfer to be made in cash then there could be fluctuations in the value of **your investments** while the sale of **your investments** is in progress. **We** will sell an additional 5% of the value of **your investments** subject to **you** or **your adviser** consenting to the oversell. Once **we** have completed the transfer of part of

**your ISA**, any remaining cash from the oversell not transferred as part of the transfer will remain in **your cash facility**. If **you** or **your adviser** do not choose to oversell then there could be delays to the transfer being made where further sales are needed as the value of **your investments** has changed during the sell down process.

#### **3.2 Withdrawals**

**3.2.1** If **you** instruct **us** to do so, all or part of the **investments** held in the **ISA** and proceeds arising from those **investments** shall be transferred or paid to **you**, within the time stipulated by **you**.

**3.2.2** We can specify a minimum period which must not exceed 30 days for the time stipulated by **you** for **us** to carry out a withdrawal. This period is required to allow **us** sufficient time to carry out the withdrawal request. **You** will be informed of this minimum period when **you** request a withdrawal.

**3.3** If **you** have subscribed to a stocks and shares **ISA** which contains units or shares in a **UK UCITS**, a **non-UCITS retail scheme** or a **recognised UCITS** and dealings in such units and shares have been suspended in accordance with the rules of the **FCA** (or any direct foreign equivalent), the minimum period which is specified by **us** for transfers and withdrawal requests may be extended to seven days after the suspension ends.

**3.4** **You** can instruct **us** to transfer the **investments** in **your ISA** that relate to **additional permitted subscriptions** to another ISA manager, but **you** would have to make any further subscriptions relating to that **additional permitted subscription allowance** to an **ISA**.

## 4 Subscription levels

- 4.1** Your ISA subscription will take effect on the later of the receipt of the application form or the receipt of the subscription to the ISA.

To the extent that **your** subscriptions are not **additional permitted subscriptions**, **you** are responsible for making sure **you** do not breach the current ISA subscription levels stated in the **ISA Regulations** for the tax year in which **you** are investing. To the extent that **your** subscriptions are **additional permitted subscriptions**, **you** are responsible for making sure **you** do not breach the **additional permitted subscription allowance** during the **permitted period**.

- 4.2** In applying for the **ISA**, **you** are confirming that **you** have not, and will not, breach the prevailing **ISA Regulations** and subscription levels. This includes any **ISAs** that **you** may hold, or intend to open with any other ISA manager.

Other than where allowed by the **ISA Regulations** in each tax year, **you** may subscribe to one cash **ISA**, one stocks and shares **ISA**, one innovative finance **ISA** and one lifetime **ISA**. Where **you** make a transfer of current year subscriptions from one type of **ISA** to another type of **ISA**, the subscriptions are treated as if they were made to the receiving **ISA** so **you** can subscribe to another **ISA** of the same type as the one from which **you** transferred. This is subject to the overall subscription limits as set out in the **ISA Regulations**.

- 4.3** You may apply to open an **ISA** depending on **your** eligibility (see 1 of section B).
- 4.4** If **you** make **contributions** in excess of the current limits, as set out in the **ISA Regulations**, or in excess of **your additional permitted subscription allowance**, or if **we** are so instructed by **HMRC**, **we** will refund any **contributions** to **you** unless they are made through a sharesave scheme. If the **contribution** is made through a sharesave scheme, **we** will open a **GIA** for **you** in **your** name and place any excess shares from that

scheme into that **GIA**. **You** will then be able to access that **GIA** at the **gate you** have access to **the Service** at (see 7.3 in the general section).

## 5 Investments and related information

- 5.1** The **ISA investments** will be, and must remain in, the beneficial ownership of **you** and must not be used as security for a loan.
- 5.2** The title to the **ISA investments** will be registered in the name of **our nominee company**, except for cash held in the **cash facility** of the **ISA**, or any other account that is used to move money to, from and within, the **ISA**, which is held in the name of Aegon Investment Solutions Ltd.
- 5.3** Share certificates or other documents evidencing title to **ISA investments** will be held by **us** or as **we** may direct.
- 5.4** **We** will arrange, if **you** elect, for **you** to receive a copy of the annual report and accounts issued by every company or other concern in respect of **investments** that are held directly in the **ISA**.
- 5.5** **We** are under an obligation (subject to any provisions made by or under any other enactment), if **you** so elect, to arrange for **you** to be able:
- i to attend shareholders', securities holders' or unit holders' meetings;
  - ii to vote; and
  - iii to receive, in addition to the annual report and accounts, any other information issued to shareholders, securities holders or unit holders.
- 5.6** A charge may be made for the arrangement of the above (5.5, parts i, ii and iii of section B), which is explained and detailed in 8.2 of the general section.
- 5.7** If instructions are given to purchase any **investment** that does not qualify under the **ISA Regulations**, and those **investments** are purchased, **we** must sell the **investment** as soon as practicable after **we** have identified

the non-permissible holding. In such circumstances **you** will be liable for the costs to rectify the matter and will have to bear any losses due to price movement.

## **6 Cash held within a stocks and shares ISA**

- 6.1** Cash held within **your ISA** will be held in the cash facility on deposit with HSBC Bank plc in accordance with clause 5.3 of Part 1 of these terms and conditions.

## **7 Contributions**

- 7.1** The minimum **contribution** for **regular contributions** is £20 each month and the minimum single **contribution** is £1. The maximum that you can contribute is the maximum allowed under the **ISA Regulations**.
- 7.2** Except where **your additional permitted subscription allowance** relates to a deceased investor's **ISA**, **your** subscription must be in cash. Where **your additional permitted subscription** relates to a deceased investor's **ISA** with **us** and **you** inherit non-cash investments held in the deceased investor's **ISA** at the date of their death, as long as those non-cash **investments** have been continuously held by **us** since the date of their death, **you** can ask **us** to **re-register** the **investments** to **your ISA**. This means **we** will re-register the **investments** (up to value of **your additional permitted subscription allowance**) into **your ISA**.
- 7.3** **We** will accept the transfer in of existing **ISA** accounts subject to the minimum initial transfer in value, which is currently £250.
- 7.4** **We** will accept **ISA** transfers in cash, or by a **re-registration** of **investments**. This is with the exclusion of employee SAYE share schemes.
- 7.5** Where dividends/income/distribution payments are paid as the result of transfer, **we** reserve the right to reject any payments less than £25.

## **8 Withdrawals**

### **8.1 Partial withdrawals**

The minimum amount for a partial withdrawal is £100.

### **8.2 Regular withdrawals**

The minimum **regular withdrawal** is £25 for each payment. A **regular withdrawal** can be set up to be paid monthly, quarterly or yearly. **Regular withdrawal** instructions will leave the **cash facility** on or around the sixth **business day** of the month, unless we agree another date with you.

### **8.3 Flexible ISA**

**Your ISA** is a **flexible ISA**. This means that if **you** withdraw money in any tax year **you** can pay it back into **your ISA** in that tax year and it will not count towards **your** annual **ISA** allowance. If **you** have had **your ISA** with us for more than a year **you** can withdraw money from contributed in the current tax year and in the previous tax year. Withdrawals will count against any money contributed in the current year first, with any excess being treated as coming from a previous tax year.

Upon repayment in the same tax year, the previous year's subscriptions will be treated as being repaid first, followed by those made in the current year.

## **9 ISA application policy**

- 9.1** **We** operate a continuous **ISA** application form. This means that, once **we** have received and accepted **your** application form, it remains valid for the current year and each subsequent year that **we** receive subscriptions.
- 9.2** If there is a break in subscriptions to **your ISA** of one full tax year, **we** will need a new application form, which must be sent to ARC Client Services with any subsequent new subscription. **We** will not accept any new application for a cash **ISA** in these circumstances.
- 9.3** **We** reserve the right to ask for a new application form for each new tax year.

**9.4** Where **your ISA** relates to **additional permitted subscriptions**, **your** application will be valid for the duration of the **permitted period**. **Your** application will remain valid until the end of the **permitted period** whether or not **you** make **additional permitted subscriptions** in each tax year falling with the **permitted period**.

## 10 UK residency

**10.1** **You** undertake to inform **us** as soon as reasonably practical that **you** have ceased to be resident in the UK or a Crown employee overseas, or become resident, or ordinarily resident, outside the UK.

**10.2** **We** cannot advise **you** of the tax consequences and do not accept any liability for any tax charges or penalties arising from changes of **your** residency. **You** should seek advice from a qualified tax adviser in such circumstances.

**10.3** If **you** cease to be resident in the UK, or a Crown employee overseas, **you** are required to cease subscriptions into an **ISA**.

## 11 Void accounts

**11.1** **We** will manage **your ISA** in accordance with the regulations. **We** will notify **you** if, for any reason, **your** account has or will become no longer exempt from tax.

**11.2** On notification by **HMRC** of a breach of regulations, **we** will make every effort to repair **your ISA** within the guidance set out by **HMRC**. **We** will confirm in writing the action taken where **your ISA** has been repaired.

**11.3** If **your ISA** is voided, **we** will deduct any cash available to cover any tax **we** have to pay or repay. If there is insufficient cash in the **cash facility** to cover **your** liabilities as a result of the **ISA** being made void, **we** reserve the right to sell some or all of **your investments** to meet these liabilities.

**11.4** **We** will also deduct all outstanding charges due to **us** in respect of **your ISA** and any expenses incurred in termination of the **ISA** will be deducted.

## 12 Death of an ISA investor

**12.1** The tax treatment of **your ISA** on death will depend on the date of **your** death, as follows:

- if **you** die on or before 5 April 2018, **your ISA** ceases to be tax exempt from the date of **your** death;
- if **you** die on or after 6 April 2018, **your ISA** will remain tax exempt subject to the provisions of the **ISA Regulations**. This means that from the date of **your** death **investments** held in **your ISA** will be regarded as 'administration-period investments' and exempt from income tax and capital gains tax until the earliest of:
  - i the completion of the administration of **your** estate;
  - ii the third anniversary of the date of **your** death, and
  - iii the closure of **your ISA** by making a full withdrawal.

**12.2** On notification of **your** death, **we** will continue to hold all **investments** held in **your ISA** together with any cash held in the **cash facility** of **your ISA** until **we** receive the formal documentation appointing the legal personal representatives of **your** estate that is acceptable to **us**. (For deaths before 20 March 2018, all **investments** and cash will be held in **your GIA**). When **we** receive this, **we** will recognise the legal personal representatives of the estate as the persons entitled to provide instructions in relation to the **investments** and cash held in the **cash facility**.

**12.3** If **you** die on or before 5 April 2018, any interest on the cash held in this **cash facility** will be paid net of tax. Any investment growth from the date of **your** death is not exempt from tax. Any tax reclaimed from the date of **your** death will be deducted by **us**.

**12.4** When **we** receive the appointment of **your** legal personal representatives, **we** will accept instructions from **your** legal personal representatives. **We** will continue to hold **your investments** together with any cash held in the **cash facility** of **your ISA** until **we** receive instructions from **your** legal personal representatives.

**12.5** If your **ISA** has not been closed by the third anniversary of the date of your death then we will sell all investments held in **your ISA** and move this cash to the cash facility of **your GIA**. If you don't already have a **GIA** we'll open one. The cash will remain in this **GIA** until we receive instructions from your legal personal representatives.

# Section C – the SIPP

## Definitions

In this section C ‘we’, ‘us’ and ‘our’ refers to Scottish Equitable plc.

### 1 General

- 1.1** The **Aegon Self Invested Personal Pension Scheme** (the **scheme**) is a **registered pension scheme**. It has been established for the purpose of providing pension and lump sum benefits.
- 1.2** The **scheme** is established under a trust deed and **scheme rules**, the **scheme** will be governed and administered according to the **rules**.
- 1.3** Scottish Equitable plc is the **scheme** provider and administrator of the **scheme**. Aegon Pension Trust Ltd is the trustee of the **scheme**. We will administer the scheme in accordance with the **rules** of the **scheme** and these Terms and conditions.
- 1.4** When **you** open a **SIPP product wrapper** or **your SIPP** is provided through **your employer**, **you** become a member of the **scheme** and, as a member, the trust deed and **Rules** apply to **your SIPP**. **You** can obtain a copy of the **rules** on request from ARC Client Services. Where there is any conflict between the **rules** of the **scheme** and these Terms and conditions, the **rules** of the **scheme** will override the conflicting provision in these Terms and conditions.

#### 1.5 Retirement age

When **you** open a **SIPP**, **you** will have a **retirement age** which will be chosen by **you**. **You** can alter **your retirement age** at any time. Where **your SIPP** is provided through **your employer**, they will advise us of a **retirement age** for **you**.

We will use **your retirement age** in benefit illustrations that show **you** what **your** benefits might be at that **retirement age**. When **you** are getting close to **your retirement age**, we will send **you** information about putting **your** benefits into payment. **You** are not required to take **your** benefits at **your retirement age**.

**Your retirement age** may affect any lifestyle fund that **you** may have invested in under **your** ARC Insured Funds Policy. That policy details the effects that a change to **your retirement age** may have.

### 2 Eligibility for the SIPP

- 2.1** **You** can apply for the **SIPP** if **you** are 16 years or older. However, if **you** are under the age of 18 and not resident in Scotland, the **SIPP** application form and applicable declarations must be made by a parent or guardian unless **your** application is through **your employer**.
- 2.2** **You** can make **contributions** at any time. We will not claim any tax relief under 3.4 of section C for any **contribution** made once **you** have reached **your** 75th birthday.
- 2.3** **You** may only apply for, or have provided through **your employer**, a **SIPP** if **you** are resident in the UK and are a **relevant UK individual**.

When **you** applied to join the **SIPP**, **you** will have given a declaration as part of the joining process confirming **you** meet HMRC rules. This declaration is that:

- **you** will inform us if **your** total **contributions** to all UK registered pension schemes (schemes that attract tax relief) in respect of which **you** are entitled to tax relief exceeds:
  - a **your relevant UK earnings**; and
  - b £3,600, if **your relevant UK earnings** are less than £3,600.
- if **you** are no longer entitled to tax relief on **your contributions**, for example if **you** move out of the UK for tax purposes or lose eligibility for tax relief on any **contributions** that **you** pay to **your SIPP** (because **your** earnings have reduced), **you** will inform us no later than the later of:
  - a 30 days after the change, and
  - b the 5 April at the end of the tax year when **your** circumstances change.

If **your employer** arranged for **you** to be auto-enrolled or enrolled into the **SIPP**, **HMRC** rules require **your employer** to give this declaration on **your** behalf. **Your employer** must confirm that the details they give us to set up **your SIPP** are correct.

**You** should check information that we send **you** to ensure that all of **your** personal details are correct and contact us or **your employer** if there is anything wrong in **your** personal details.

The declaration from **you**, or on **your** behalf, also means that **HMRC** rules require **you** to check:

- that **you** are not breaching the limits on **contributions** qualifying for tax relief set by **HMRC**, and that, and
- if **you** move out of the UK, **you** tell us as soon as possible.

The granting of **tax relief** is a matter between **you** and **HMRC**, or **your employer** and **HMRC**. What follows is a description of some of the provisions that may apply in connection with that **tax relief**, and is set out just for information purposes. **You** should check **your** actual position and proceed accordingly.

Tax relief will only be available in respect of **contributions** under this clause 2, paid during a tax year if **you** are a **relevant UK individual** for that year.

**You** are a **relevant UK individual** for a tax year if at least one of the following applies:

- **you** have **relevant UK earnings** chargeable to income tax for that year;
- **you** are resident in the UK at some time during that year;
- **you** were resident in the UK both at some time during the five tax years immediately before that year and when **you** became a member of the **scheme**, and
- **you**, or **your** spouse or registered civil partner, has for the tax year general earnings from overseas Crown

employment subject to UK tax (such earnings being as defined in section 28 of the Income Tax (Earnings and Pensions Act 2003).

**Contributions** in excess of £3,600 or **your relevant UK earnings** if higher, will not receive tax relief.

- 2.4** Neither **you**, nor any third party involved in the transactional activity are subject to financial sanctions issued by the United Kingdom or United States of America. Should **you** become subject to such financial sanctions, **we** reserve the right to terminate **your SIPP** with **us**, with any attendant costs or penalties borne by **you**.

### **3 Contributions to the SIPP**

- 3.1** **Contributions** can be made by **you**, **your employer** or a third party.

- 3.2** The minimum contribution is £1.

Please see 3.5 of section C for further information on the legislative minimums that apply where **your SIPP** is provided through **your employer** and is used by **your employer** to meet their auto-enrolment requirements.

- 3.3** There is no maximum **contribution** that can be paid into **your SIPP**. However, **contributions** in excess of **your current annual allowance**, as defined by **HMRC**, may attract a tax charge. **You** should discuss this with **your adviser** before contributing to **your SIPP** in excess of your **annual allowance**.

- 3.4** We will claim basic rate tax relief on all new personal **contributions** made to **your SIPP**, other than **contributions** made once **you** have reached **your** 75th birthday. If **you** are a Scottish tax payer **we** will claim tax relief on all new personal **contributions** made before **your** 75th birthday to **your SIPP** using the Scottish basic rate of income tax. **Contributions** made by a third party (not **your employer**) will be treated as personal **contributions**. The gross amount of such **contributions** (this is the net amount of the **contributions** **you** (or a third party) paid, together with the tax

relief that we claim) will be placed within **your cash facility** and invested in line with **your** instructions. We will not claim any tax relief on **contributions** made by **your employer** – these are paid to us gross.

We may have to repay any tax relief (and pay interest on that tax relief) to **HMRC** because a **contribution you** paid to **your SIPP** does not qualify for tax relief. Where this is the case and the **cash facility** does not hold enough funds to pay this, **we** will carry out a **forced disinvestment** in line with clause 5.4 of the general section to realise the sum to be paid to **HMRC**.

**3.5 Your employer** may use the **SIPP** to meet their legal requirements to ensure that certain people are enrolled automatically into a pension scheme meeting the government's requirements on saving for retirement (auto-enrolment).

If **you** do not opt out of auto-enrolment, minimum **contribution** rates apply to the total of employer and employee **contributions** that must be paid.

There is also a separate minimum for employers as part of the total minimum.

The minimum **contributions** mean that, if **your employer** contributes less than the total minimum to **your SIPP**, **you** may be required to contribute the difference between the amount **your employer** contributes (which is always subject to the employer minimum) and the total minimum to **your SIPP**. For example:

- the government sets the total minimum contribution rate at 8%; and
- the employer minimum at 3%.

If the employer pays the 3% minimum, employees would be required to pay 5% in this example (this 5% would be including any basic rate tax relief).

If the employer agrees to pay a higher amount, for example 7%, employees would be required to pay 1% (again, this 1% would be including basic rate tax relief).

If **contributions** to **your SIPP** are affected by the minimum contribution

requirements set by the government in future, contribution rates to **your SIPP** will be increased automatically (unless **you** opt out of the increase, in which case **your contributions** will cease unless **you** reach an alternative arrangement with **your employer**). We may not send **you** a Contract note when **contribution** rates are increased to meet the minimum requirements set by the government.

**You** can get more information about the minimum contribution requirements set by the government on our website or from the **scheme adviser**.

**3.6** We accept no liability for any tax charges or penalties resulting from **contributions** made to **your SIPP**. We will deduct the amount of any such charge, fine or claim from **your SIPP cash facility** without needing **your** consent to do so. If there are insufficient funds in **your cash facility** to cover any such charge, fine or claim **we** will sell the **investments** in **your SIPP** in accordance with 5.4 of the general section to the extent necessary to cover such charge, fine or claim. If the value of the **investments** in **your SIPP** is insufficient to cover the amount of such charge, fine or claim **you** agree to pay any outstanding amounts to **us**.

**3.7** We will not be liable in the event that we are unable to proceed with an **investment** due to an error or omission of a payment/payment schedule from an employer or third party or due to any delay in a **contribution** or transfer reaching the **cash facility**.

**3.8** We will not accept new **contributions** to the **SIPP** by way of a transfer of contribution of shares or **re-registration** of an investment fund.

## **4 Default fund for your SIPP through your employer**

**4.1** If **your SIPP** is provided through **your employer**, a **default fund** will be available under **your SIPP**. This is the fund into which any **contributions** to **your SIPP** are invested if **you** do not make an **investment** choice. The minimum amount must be

maintained within the **cash facility**, as detailed in clause 5 of the general section with the **cash facility** being part of the **default fund**. If **you** have taken out **your SIPP** through **your adviser** or directly, any **contributions** will be placed into the **cash facility** and remain there until an investment instruction is received by **us**.

#### 4.2 The provisions of the **default fund** are:

- i Unless v below applies, the **default fund** will usually be selected by **your employer** or the **scheme adviser**. If **your employer** or the **scheme adviser** does not select a **default fund**, the **default fund** will be the **Aegon default fund**.
- ii Where **you** do not make a valid selection for the **investment of contributions** to **your SIPP** or any part of them, then the **contribution**, or that part of them will be invested in the **default fund** that applies to **your SIPP**, subject to the minimum amount remaining in **your cash facility**.
- iii If the **default fund** for **your SIPP** is changed, subject to the minimum amount remaining in **your cash facility**, by **your employer** or the **scheme adviser**, **you** will be advised of this by **your employer**. **Your contributions** will then be invested in accordance with the instructions that we receive from **your employer** or the **scheme adviser**. **Your contributions** may be invested in the new **default fund** or continue to be invested in the old **default fund**.
- iv If the **default fund** is the **Aegon default fund** and we change the **Aegon default fund**, all **your contributions** to the previous **Aegon default fund** will now be invested in the new **Aegon default fund**.
- v If there is an investment instruction in place for the **contributions** to **your SIPP**, and **your** or **your employer's contributions** are increased (whether under auto-enrolment or not) without any investment instruction for this increase, **your contributions** will continue to be invested in line with **your** existing investment instruction and **you** will not be invested in any **default fund**.

If **you** have actively selected the **investment** that was the previous **default fund**, rather than investing in it as the **default fund**, **your** investment instruction will not be altered and **contributions** will continue to be invested in **your** chosen **investments**, subject to 7 of the general section.

- vi Where the **default fund** is changed, other than by a change to the **cash facility**, all **investments** into the previous **default fund** will be moved into the new **default fund**. Where there is a change to the **cash facility**, we will update **your cash facility** and advise **you** of this change. This change will be carried out as a normal switch under 7.12 of the general section.

#### 4.3 Bulk transfers

Where there is a transfer from another UK **registered pension scheme** that is part of a bulk transfer through **your employer**, such a transfer will be placed in the **default fund** unless **you** have given us alternative investment instructions for this transfer, in which case the transfer will be placed in those **investments** detailed in that investment instruction. The minimum amount must be maintained within the **cash facility** as detailed in clause 5 of the general section.

A bulk transfer is a transfer that is arranged through **your employer** where two or more members, employed by the same **employer**, transfer to the **scheme** at the same time and in relation to a previous pension scheme through that **employer**.

## 5 Permitted investments

**You** may have a different **investment** choice for **crystallised** and **uncrystallised** funds within the same **SIPP product wrapper**.

## 6 Transfers in

- 6.1** We can accept transfers from other UK registered pension schemes, including pension credits that are granted on divorce. We will also consider requests for us to accept transfers from recognised overseas pension schemes, subject to us agreeing that we are able and willing to accept these transfers, and any conditions that we may impose. We are under no obligation to accept any transfer request from **you**.
- 6.2** To transfer an existing pension to **your SIPP**, **you** must complete the relevant pension transfer authority and obtain a discharge form from **your** existing pension provider.
- 6.3** It is **your** responsibility to make sure that the trustees, scheme administrator or provider of the existing scheme or pension will allow the pension to be transferred to **your SIPP**.
- 6.4** We accept no liability for any penalties, charges or liabilities arising from the transfer of an existing pension.
- 6.5** We will accept transfers in cash and by way of a **re-registration** of **investments**.
- 6.6** Each transfer will be invested in accordance with **your** investment instructions, other than where **your** transfer is part of a bulk transfer when it will be invested as detailed in 4.3 of section C.
- 6.7** Each separate drawdown-to-drawdown transfer will result in a new **crystallised** arrangement being created within **your SIPP product wrapper**.
- 6.8** **You** may apply new **uncrystallised contributions** or transfers to a **SIPP product wrapper** already containing post 5 April 2006 **crystallised** funds and, if the existing **crystallised** funds are in respect of a pension in payment before 6 April 2006 **you** may not apply new **contributions** or transfers to that arrangement.

## 7 Block transfers

- 7.1** The **scheme** will inherit the scheme protection being block transferred.
- 7.2** **You** may only apply a **block transfer** if **you** have been a member of the **scheme** for less than 12 months.
- 7.3** For a **block transfer** to take place, at least two investors in the transferring scheme must transfer, at the same time, all their benefits under that scheme to the **scheme** in which **your SIPP** is to be held.
- 7.4** At least one of the **clients** in a **block transfer** must have a scheme protected low pension age or protected **pension commencement lump sum**.
- 7.5** All **your SIPP** benefits (**block transfer** plus others) under the scheme must crystallise on the same day for scheme protection to apply. If **you** transfer in benefits that have already **crystallised**, these will be ignored for this purpose, with any payments from those benefits not being treated as unauthorised payments.
- 7.6** Only one scheme protected **pension commencement lump sum block transfer** is allowed for each **client**. Any additional transfers of the same type will lose their protection. If **you** have an existing arrangement under the **scheme** (for example, a pension under One Retirement or Retiready) with a retirement age of 55 (or above), that retirement age will not be reduced as a result of a **block transfer** with a protected low pension age being paid to a **SIPP**.

## 8 Transfers out

- 10.2 of the general section details the general provisions for transferring out. That clause is qualified by this clause 8, of this section C for **your SIPP**.
- 8.1** Where **you** are transferring **your SIPP**, on receipt of a valid transfer request from the trustees or scheme administrator of a **registered pension scheme** or QROPS, **Aegon** will transfer out **your investments** from **your SIPP**, this will involve the sale of all **investments** unless the transfer is by

way of a direct transfer or **re-registration of investments**. However, we are entitled to delay or refuse any transfer unless we satisfy ourselves that we can make the transfer from a legal and regulatory perspective and have received any discharge that we require.

- 8.2** We will complete all transfers out as soon as reasonably practical after receipt and acceptance of the relevant paperwork from **your** new scheme provider and **you** complying with these Terms and conditions, including providing us with a fully and correctly completed discharge form.
- 8.3** We will transfer **your investments** to **your** new pension provider either in cash or through a **re-registration of investments**.
- 8.4** **Aegon** will make no charge for transferring out **your SIPP**.

## **9 Retirement benefits and the lifetime allowance**

- 9.1** **You** may only start taking retirement benefits from the age of 55 or a scheme protected low pension age or due to ill-health, in line with the **rules**. We reserve the right to allow **you** to continue with both **uncrystallised** and **crystallised investments** after **your** 75th birthday if **you** and we agree and it is allowed in terms of the **rules**.
- 9.2** When **you** choose to have a **benefit crystallisation event**, **you** must designate all or part of the **investments** within **your SIPP product wrapper** to provide an **UFPLS**, a **drawdown pension** or to purchase an annuity, unless **you** are transferring to a **QROPS**.

Before **you** can crystallise all or part of **your SIPP** to provide a **drawdown pension** for the first time, **you** must have at least the minimum amount **we** will accept to set up a **drawdown pension** within **your SIPP**. **You** can find out the minimum **we** will accept by speaking to **your adviser** or contacting **us**. If **you** have less than this amount and have not previously designated any part of **your SIPP** to provide a **drawdown pension**, **you** will not be able to do so and must purchase an annuity.

- 9.3** The amount being used to provide benefits will be tested against **your** available **lifetime allowance**. If **your** available **lifetime allowance** is exceeded, **you** will be subject to an excess **lifetime allowance** charge, as determined by **HMRC** – this will be deducted from **your SIPP** and paid to **HMRC**. Any charges, penalties or tax payments not paid as detailed in this clause, that arise from a breach of the **lifetime allowance** must be met by **you**.
- 9.4** An instruction to take retirement benefits from **your SIPP** must be made in a manner prescribed by us from time to time. If we allow **your adviser** to complete a **benefit crystallisation event** request online on **your** behalf, **you** confirm that **your adviser** is doing this with **your** authority and **you** give us authority to act on such an instruction. **You** will advise us of any issues or anything **you** consider to be incorrect within 30 days of us confirming the terms of the **benefit crystallisation event** to **you**.

Speak to **your adviser** for details of our current process for such a request.

- 9.5** Where **you** want to **crystallise** part of **your uncrystallised SIPP**, the value of **your** remaining **uncrystallised SIPP** must not fall below £1,000. If the remaining **uncrystallised** balance is below £1,000, **you** will be required to fully **crystallise** all of **your product wrapper**.

## **10 Uncrystallised funds pension lump sum**

- 10.1** **You** can request an **UFPLS** from the **uncrystallised** part of **your SIPP** at any time from age 55 or earlier if **you** have a protected low pension age or if **you** meet the ill-health condition in the **Rules**. This request must be in a format specified by us from time to time. Details of the current format for a request for an **UFPLS** and any terms that apply can be obtained from **your adviser** or **the Service**. In addition to any legislative requirements, any request for an **UFPLS** is subject to such terms

as we may impose from time to time including but not limited to providing any information that we reasonably require to process **your** request, any minimum amount we will pay out as an **UFPLS**, and any charges we may require to be paid before paying **your UFPLS**.

- 10.2** We reserve the right to make a charge for processing and paying a request for an **UFPLS**, or to introduce a charge in general for making payment of an **UFPLS**. Any charge that we introduce for processing a request for an **UFPLS** will be introduced in accordance with 10.3.8 of the general section. Where we decide to introduce a charge for processing a request for payment of an **UFPLS**, we will tell **you** of our charges at the point of making such a request.

## **11 Pension commencement lump sum**

- 11.1** Where **you** are moving into a **drawdown pension** or buying an annuity, **you** may elect to receive part of **your SIPP** that is **crystallising** as a **pension commencement lump sum**. This would reduce the amount available to provide a **drawdown pension** or annuity.
- 11.2** Where **your SIPP** is held either wholly or in part in respect of pension credit rights that were payable on divorce, the payment of any **pension commencement lump sum** will be restricted, where necessary, in accordance with legislation relating to pension sharing orders.

## **12 Age 75**

- 12.1** Any **uncrystallised investment** held before **your 75th birthday** will remain **uncrystallised** on and after your 75th birthday until you take **your** benefits under 13, 14 or 15 of section C. Any **uncrystallised investment** will be tested against **your lifetime allowance** on **your 75th birthday**.
- 12.2** **You** can still purchase an annuity after **your 75th birthday**, although **your** funds will need to be transferred to an annuity provider as **Aegon** does not currently provide this facility.

- 12.3** During the 12 months leading up to **your 75th birthday**, we will endeavour to contact **you** to inform **you** of the options available to **you** at that time and to obtain **your** instructions.

If we cannot contact **you** or **you** have not given us an instruction, by **your 75th birthday**, **your investments** will remain **uncrystallised**.

- 12.4** We will calculate and deduct any applicable tax from **your SIPP** in line with the **rules** and **HMRC** rules applicable at the time.

## **13 Drawdown pension**

- 13.1** On receipt and acceptance of a **benefit crystallisation event** request, an amend drawdown pension request or transfer in request, all in a format specified by **us** from time to time, **drawdown pension** can be paid from **your SIPP**. However, there may be a minimum fund value that **you** can move into drawdown. Details of any such minimum can be found in the **product wrapper** key features which are available on **our** website. Speak to **your adviser** for details of our current process for such a request.

The **rules** set out provisions for the calculation of the minimum and maximum **drawdown pension** from time to time.

- 13.2** We will pay **drawdown pension** payments on the day that **you** choose out of the dates we advise **you** are available for payment of **your drawdown pension**.

The dates **you** can currently choose from are:

- i 9th, 18th, or 27th of the month for **flexi-access drawdown**, or
- ii 9th of the month for **capped drawdown**.

We will tell **you** if we make any alterations to these dates. If the date **you** have chosen is not a business day, we will pay the **drawdown pension** on the last **business day** before that date.

It will reach **your** account sometime after that, subject to the clearing rules of our and **your** bank.

**13.3** You can request a change to the date of payment of **your regular drawdown pension**. Any request will be in a format determined by us from time to time, please speak to **your adviser** or see **the Service** for details of our current format. The change to the date of payment of **your regular drawdown pension** will take place in the month following the month in which **you** make the request.

**13.4** Regular **drawdown pension** payments are payable monthly unless **you** and we agree otherwise. **You** can also request **drawdown pension** on an ad hoc basis.

**13.5** **Drawdown pension** payments are spread evenly over the remaining payment dates in the pension year, taking into account any ad hoc **drawdown pension** that **you** have taken.

**13.6** The date that the **drawdown pension** payment leaves the **cash facility** will be the date used to determine which pension and tax year the **drawdown pension** falls into.

**13.7** The level of **drawdown pension** is limited to any maximum and minimum levels set out in the **rules**. If the minimum payment is £0, no drawdown needs to be taken. If any **drawdown pension** is taken, this can be set to any level within these limits, subject to the minimum payment of £25. The maximum level of **drawdown pension** will depend on whether or not **you** have **capped drawdown** or **flexi-access drawdown**, speak to **your adviser** for more information on the type of **drawdown pension** **you** have.

**13.8** For **drawdown pension** payments to start on the next payment date, **your** instruction must be received and accepted at least 10 **business days** before the payment date.

**13.9** Cleared funds must be available within **your product wrapper cash facility** for a **drawdown pension** payment to be made. We accept no liability for loss or charges incurred as a result of cleared funds not being available for **drawdown pension** payments. If there is not enough cash in **your cash facility** for a **drawdown**

**pension** payment to be made the **forced disinvestment** process described in clause 5.4 of the general section will apply.

**13.10** Any payments received from **your Secure retirement income** will be placed in **your cash facility**. If the amount of income received from **your Secure retirement income** is less than the amount of **drawdown pension** **you** have requested, and **you** have not taken any action to ensure that there is sufficient cash in the **cash facility** to meet this amount, the **forced disinvestment** process detailed in 5.4 of the general section will take place. If the income from **your Secure retirement income** is greater than the amount of **drawdown pension** **you** have requested, the excess amount will remain in the **cash facility** as cash and can be used in the same manner as any other cash in the **cash facility**.

If the income received from **your Secure retirement income** is less than the amount of **drawdown pension** that **you** have requested and there are no other assets to make up the difference, no **drawdown pension** will be paid until there is enough cash in the **cash facility** to meet a requested payment of **drawdown pension**. If, after this payment, there is an outstanding balance in the **cash facility**, this will be treated as uninvested cash.

## **14 Flexible drawdown**

If **you** have a **flexible drawdown** arrangement on 5 April 2015, this will be automatically converted to a **flexi-access drawdown** arrangement on and from 6 April 2015. This is a legislative requirement under paragraph 8A of Schedule 28 of the Finance Act 2004, or paragraph 22A of Schedule 28 of the Finance Act 2004 if **you** are receiving **flexible drawdown** as a **survivor**.

## 15 Annuity purchase

- 15.1** If **you**, or a **survivor**, want to buy an annuity, the provider setting up the contract or policy must agree to provide the annuity.
- 15.2** On receipt of a valid instruction, we will arrange for the purchase price of the annuity to be paid to the provider of your annuity. The purchase price will be obtained through the sale of **investments** in **your SIPP**.
- 15.3** The annuity to be paid must be allowed by the **rules**.
- 15.4** We are not liable for any acts or omissions of an annuity provider that **you** or a **survivor** choose.

## 16 Death benefits

- 16.1** We, as the scheme administrator, will pay all or part of the death benefit available in line with the **rules**.

### 16.2 Investments on death

On notification of **your** death, and after **we** have been provided with satisfactory evidence of death, **we** will sell the **investments** as soon as **we** are reasonably able to do so except in relation to any part (which may be the whole) of **your SIPP** to which a binding nomination applies at the time of **your** death. The proceeds of this sale will be placed in the **cash facility** until settled in accordance with this clause 16.

If there is a binding nomination that applies on **your** death, **we** will not sell the **investments** in respect of which the binding nomination applies and they will be held for the **survivor** who will decide whether or not those **investments** should be kept or choose different **investments**. This is unless the **survivor** under the binding nomination was no longer a **dependant** at **your** date of death. If this is the case, **we** will sell the **investments** as soon as **we** are reasonably able to do so after discovering they are no longer a **dependant**.

## 16.3 Payment or application of death benefits

- 16.3.1** On notification of **your** death, and after **we** have been provided with satisfactory evidence of death, some or all of the following options are available to **survivors** who are beneficiaries in terms of the **rules**, as further described in 16.4, 16.5, and 16.6, unless the exceptions in 16.3.2 and 16.3.3 apply:

- i **drawdown pension** (see 18);
- ii annuity purchase (see 17);
- iii lump sum, or
- iv a combination of these.

The options available to the **survivors**, and how the **survivors** may be chosen depends on whether or not they have been nominated for the relevant benefits. This depends on whether **you** have provided **us** with a binding nomination, a non-binding nomination, a letter of wishes, or none of these, or **we**, as scheme administrator, have nominated them for the relevant benefits. In addition, if **you** have given us a nomination, the personal circumstances of the person **you** have nominated may also determine how the death benefits are dealt with (see 16.4).

If death benefits are payable at **our** discretion and **we** choose a **survivor** as a beneficiary and these options are not available, a lump sum death benefit is payable to the **survivor we** have chosen. If **we** pay the death benefits at **our** discretion to a person who is not a **survivor**, these options are not available; a lump sum death benefit is payable to the person **we** have chosen.

**16.3.2** There may be legal or regulatory reasons why **we** are not able to offer some or all of the options detailed in 16.3.1 to a **survivor**. Where this is the case, **we** will confirm the position to that **survivor** and the options available to them.

**16.3.3** In the following circumstances the **survivor** will not have all the options detailed in 16.3.1:

- where the **survivor** is resident anywhere other than in the United Kingdom, **we** will only make payment of a lump sum death benefit and that **survivor** will not have any choice as to how the death benefits are payable;
- where the fund for the **survivor** is less than the minimum amount that **we** set from time to time for providing **flexi-access drawdown** for a **survivor**, the option of taking a **drawdown pension** will not be available to the **survivor**.

## **16.4 Nominations**

### **16.4.1 Binding nomination**

Subject to the exception set out below, from 25 July 2016 **we** will no longer accept binding nominations from **you**, however binding nominations received by **us** before this date will continue to be recognised where the following applies.

If **you** have given **us** a binding nomination before 25 July 2016 in favour of a **survivor** who is a **dependant**, and this is in a format that **we** have confirmed is acceptable and applies at the time of **your** death, that **survivor** will choose how the death benefits available to them are to be paid to them or applied for their benefit. The options available to that **survivor** are

those detailed in 16.3.1 of this section C. That **survivor** must be a **dependant** at the date of **your** death; otherwise they will not be able to benefit from the binding nomination. If they are not classed as a **dependant** as at **your** date of death, the binding nomination falls and **we** will treat the binding nomination as a non-binding nomination under 16.4.2.

The exception to the above is where **you** have a **Secure retirement income account** with a **joint life** attached. **We** will continue to treat that **joint life** as having a binding nomination in their favour for that **Secure retirement income account**.

The death benefits will be payable to or applied for that **joint life** as detailed in 16.4.3 as long as they are still a **dependant** as at **your** date of death.

### **16.4.2 Non-binding nomination**

If **you** have given **us** a non-binding nomination in a format that **we** have confirmed is acceptable and this applies at the time of **your** death, **we** will exercise **our** discretion as detailed in 16.6, taking into account the person **you** have nominated. If **we** exercise **our** discretion in favour of the person **you** have nominated, that person will choose how the death benefits available to them are payable or applied for their benefit; the options available to them are those detailed in 16.3.1.

### **16.4.3 Secure retirement income**

If **you** have a **Secure retirement income account** that has a **joint life** attached, as described in 7.4.3 of the ARC Insured Funds Policy, there is a binding nomination in respect of that **Secure retirement income account** in favour of the **joint life**. The **joint life** will have

the options detailed in 16.3.1 for that **Secure retirement income account** as an alternative to the option of the continuation of the guaranteed joint life income.

The **joint life** must still be a **dependant** at **your** date of death to be considered a **joint life**. If they are no longer classed as a **dependant**, the binding nomination in favour of that **joint life** falls and the remaining terms of this clause 16 apply to that part of **your SIPP** that is contained in that **Secure retirement income account** for which they are the **joint life**.

**You** can specifically remove the nomination in favour of the **joint life**; this will remove the **joint life** from that **Secure retirement income account**. To remove a nomination in favour of a **joint life**, **we** require a specific instruction telling **us** to do this.

Once a **joint life** is removed they cannot be reinstated as a **joint life** on your **Secure retirement income account** and **you** cannot select an alternative **joint life**.

## 16.5 Letter of wishes

Where **you** have given **us** a letter of wishes or expression of wishes in a format that **we** have confirmed is acceptable and this applies on **your** death, **we** will treat that letter or expression of wishes as detailed in this clause and it will not be treated as a nomination under 16.4 or 16.6 for the options described in 16.3.1. Where **we** exercise **our** discretion as detailed in 16.6 and the person **we** choose is the person named in the letter or expression of wishes, that person will be entitled to the options under 16.3.1 in relation to **your SIPP** only if the circumstances described in 16.6 apply.

## 16.6 Discretionary payment of death benefits

If **you** have placed **your SIPP** in trust, where this is permitted by the **rules**, and there is no valid binding nomination applicable on **your** death, and **we** are satisfied that **we** can make payment of the death benefit to the trust in accordance with the **rules**, **we** will make payment of the lump sum death benefit to that trust. In all other circumstances where there is no valid binding nomination or to the extent that a valid binding nomination does not apply, death benefits are payable at **our** discretion as the scheme administrator. **We** will exercise **our** discretion in accordance with the **rules**.

If **we** exercise **our** discretion in favour of a person who is an individual and:

- **you** have given us a non-binding nomination (see 16.4.2) in favour of that person which applies on **your** death (including where **you** have given **us** a binding nomination in favour of that person but it is no longer effective as a binding nomination as at the date of **your** death because the person no longer qualifies as a **dependant**) in relation to **your SIPP**, or
- that person qualifies as a **dependant**, or
- that person is not nominated by **you** and no other individual (or charity as detailed in 16.8) is nominated by **you** in relation to **your SIPP**, and there are no **dependants** in whose favour **we** could have exercised **our** discretion;

that person, as a **survivor** who has been nominated by **you** or by **us**, will choose how the death benefits are to be paid to them or applied for their benefit. The options available to them are those listed in 16.3.1.

In all other circumstances, **we** will make payment of a lump sum death benefit to the person in whose favour **we** exercise **our** discretion.

## 16.7 Timescale for making a decision – binding nominations

We will tell a **survivor** who is due benefits under a binding nomination under 16.4.1 or 16.4.3 of any timescale (or extended timescale) that **we** have set within which they must decide how they are taking the death benefits, as provided for in the **rules**. If the **survivor** does not tell **us** how they are taking benefits within that timescale (or extended timescale) that **we** set, including where the reason for this is because they have died, then the benefits shall be dealt with in accordance with the **rules**. Where this applies, **we** will sell the investments held for that survivor as soon as **we** are reasonably able to do so after finding out these circumstances have arisen and the proceeds of this sale will be placed in the **cash facility** until settled in accordance with the **rules**.

## 16.8 Charity Lump Sum Death Benefit

You may nominate a charity for payment of a lump sum death benefit. Where a charity lump sum death benefit, as defined in the Finance Act 2004, is payable, this will be paid in accordance with the terms of that Act.

If on **your** death there is a charity nominated by **you** for a part (which may be the whole) of **your SIPP**, and **we** exercise **our** discretion as detailed in 16.6 in favour of an individual instead, the options available to that individual in relation to that part may be restricted by legislation to payment to them of a lump sum death benefit.

**16.9** Where a **survivor** continues with the **SIPP**, they will not be able to make any **contributions** or transfers to the **SIPP**.

## 16.10 Accidental death benefit

**16.10.1** Where **your SIPP** has a start date of on or before 19 March 2018, **we** will pay an **accidental death benefit**, as set out in this clause, if **you** die within the period specified in 16.10.2 of section C and where all of the terms in 16.10.4 of section C are met. No **accidental**

**death benefit** is payable in respect of a **SIPP** with a start date of 20 March 2018 or later.

**16.10.2** If you have **accidental death benefit**, cover begins on the **start date** and ends on the earlier of:

- a five years from the **start date**;
- b where, on the **start date**, there is less than five years until; **your retirement age**, cover for **accidental death benefit** will stop on the day immediately before **your retirement age** that applies on the start date. To avoid any doubt, if you subsequently change **your retirement age**, cover for **accidental death benefit** will still stop on the day immediately before **your retirement age** that applies on the **start date**;
- c **your 75th birthday**; or
- d the day on which all remaining **investments** are either **crystallised** or transferred out of **your SIPP**.

**16.10.3** If **accidental death benefit** applies to **your SIPP**, the terms that apply are as follows:

- a The amount of **accidental death benefit** we will pay is 10% of the total amount of all **contributions** and transfers into **your SIPP** (including any Regular Contributions and Single Contributions paid by an Insurer under a policy or contract of Insurance (often called a waiver policy)) paid to **your SIPP** from the **start date** to the day immediately before the date of **your** death, and
- b The **accidental death benefit** shall be paid as a death benefit as set out in 16.3 of section C.

**16.10.4** The terms referred to in 16.10.1 of section C are as follows:

**a** In good faith, we consider that the cause of **your** death is an **accidental death**, which did not arise directly or indirectly from any of the following causes:

- **An accidental bodily injury that occurred before the start date.**

- **Alcohol or drug abuse**

We will not pay an **accidental death benefit** if **your** death results from or is directly related to alcohol or drug abuse.

- **Flying (other than as a passenger in a commercially licensed aircraft)**

We will not pay an **accidental death benefit** if **your** death occurs while taking part in any flying activity other than as a passenger in a commercially licensed craft.

- **Participating in a hazardous sport or pastime**

We will not pay an **accidental death benefit** if **your** death occurs while taking part in (or practising for) boxing, caving, climbing, horse-racing, jet skiing, martial arts, mountaineering, off-piste skiing, pot-holing, power-boat racing, underwater diving, yacht racing or any race, trial or timed motor sport.

- **A self-inflicted injury**

We will not pay an **accidental death benefit** if **your** death occurs as a result of intentional self-inflicted injury.

- **Any action taken by you, without due regard for your own safety.**

- **Criminal activity**

We will not pay an **accidental death benefit** if **your** death is as a result of **your** participation in a criminal activity.

- **Suicide**

We will not pay an **accidental death benefit** if **your** death is as a result of **your** own actions (whether or not at the time of such action **you** were sane or insane), or

- **War and civil commotion**

We will not pay an **accidental death benefit** if your death results from any of the following: war, invasion, hostilities (whether war is declared or not), civil war, rebellion, revolution or taking part in a riot or civil commotion.

- b** We receive the evidence and information concerning the circumstances of **your** death that we ask for.

## **17 Survivor's annuity**

Where we are to buy an annuity for a **survivor** on the basis set out in the **rules**, the value of that **survivor's** share of the **SIPP** will be used to buy an annuity in line with the **rules** and 15 of section C.

## **18 Survivor's drawdown pension**

**18.1** A **survivor** may be allowed, under the **rules** and 16 of section C, to set up a **drawdown pension**. If a **survivor** is allowed and wants to set up a **drawdown pension**:

- a** A **survivor** can tell us in writing, having given us all of the details we reasonably require, to continue **your SIPP** so that the

**investments** can be used to provide **survivor's drawdown pension**.

- b Where we receive a **survivor's** instruction in terms of 18.1a of section C, we will change that part of **your SIPP** that is due to that **survivor** so that it will be that **survivor's SIPP**. Where more than one **survivor** who is receiving death benefits wants a **drawdown pension** to be provided for them, the **investments** to be applied for each **survivor** will be applied to a **SIPP** for each such **survivor**.

We shall make the change at the time **survivor's drawdown pension** is to start. We can make the change without the agreement of that **survivor**, or any other person.

- 18.2** For a **survivor's SIPP**, the **rules** and the rights and obligations **you** and we have under **your SIPP**, in so far as they remain relevant, will apply to that **survivor**.

## **19 Death of a survivor**

On notification of the death of a **survivor** who has a **drawdown pension** and after **we** have been provided with satisfactory evidence of death, **we** will sell the **investments** as soon as **we** are reasonably able to do so. The proceeds of this sale will be placed in the **cash facility** until settled in accordance with this condition.

On the death of the **survivor**, death benefits are payable at **our** discretion as the scheme administrator. **We** will exercise **our** discretion in accordance with the **rules**.

If for any part (which may be the whole) of the death benefits **we** exercise **our** discretion in favour of a person who is an individual and the deceased **survivor** has given **us** a non-binding nomination in favour of that person for that part, which applies on that **survivor's** death, or has not made any nomination in favour of an individual (or a charity) in relation to that part, which applies on the deceased **survivor's** death, that person will choose how the death benefits are to be paid to them. The options available to them are those listed in 16.3.1.

In all other circumstances, **we** will normally make payment of a lump sum death benefit to the person in whose favour **we** exercise **our** discretion.

## **20 Lifetime allowance charge**

- 20.1** HMRC may apply a **lifetime allowance** charge as set out in section 214 of the Finance Act 2004. Where it is to be deducted from **your SIPP**, we will deduct from **your cash facility** an amount equal to the **lifetime allowance** charge on the basis set out in 20.2 of section C.

The amount deducted will either be paid to **HMRC** or, where the **lifetime allowance** charge has already been paid by us, it will be retained by us for our own use. Please note that a **lifetime allowance** charge may apply to any death benefits that are payable from **your SIPP**. In that case, the recipients of the **uncrystallised funds lump sum death benefit** are liable to pay the **lifetime allowance** charge to **HMRC**.

- 20.2** We will recover the **lifetime allowance** charge by taking this from the **cash facility** or, if there are insufficient funds in the **cash facility**, by carrying out a **forced disinvestment** to pay for the **lifetime allowance** charge.

## **21 Divorce**

- 21.1** If we receive a pension sharing order and are to make a payment under this, we will pay the pension debit from the **cash facility** to the qualifying arrangement. If there is an insufficient balance in **your cash facility** to pay the pension debit, we will carry out a **forced disinvestment** to enable the full pension debit to be paid.
- 21.2** If **you** are in receipt of a pension credit, **you** can transfer this pension credit to **your SIPP** as a transfer in.

## Part 2:

# ARC Insured Funds Policy

Here is what you need to know about the policy of insurance where you open a SIPP and invest in insured funds, provided by Scottish Equitable plc.

## Introduction

You have taken out a SIPP with Aegon, a brand name of Scottish Equitable plc. This booklet of policy conditions sets out the terms on which we, Scottish Equitable plc, issue you, the member, with a policy of insurance within your SIPP. You should read this booklet together with your contractual documents and any document we give you that makes changes to your policy.

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## 1 Definitions and interpretation

- 1.1** In this booklet and the rest of your **policy**, we use some words and phrases that have particular meanings. We call these defined terms. 'We'/'us'/'our' refers to Scottish Equitable plc. 'You'/'your' refers to the **member**. (If, following your death, a **survivor** chooses to set up a **drawdown pension**, you/your refers to that **survivor**)
- 1.2** If you see a word or phrase in **bold** in this booklet, this word or phrase is a defined term and its meaning is set out below:

**Adviser** – means the financial adviser through which you open **product wrappers**, access the service, and transact investments and who you are able to remunerate in the form of adviser charge (as defined and detailed in the **Terms and conditions**). Your **adviser** must be registered with us and have appropriate FCA authorisation.

**Aegon guarantee charge** – is the charge we make to cover the cost of providing the benefits (income, **guaranteed minimum death benefits** and **joint life**) under your **Secure retirement income account** and is more fully detailed in Condition 7.6.2.

**Aegon product charge** – is the charge we make for your **Secure retirement income account**. These are more fully detailed in Condition 7.6.1.

**ARC insured fund** – means the Scottish Equitable insured funds we make available to **your SIPP**. We describe these in 4.

**Anniversary date** – means the day that falls on the start of each anniversary of the **start date**.

**Arrangement** – has, during the lifetime of the **member**, the meaning set out in the **rules**. After the death of the **member**, it means an **arrangement** under the **scheme** from which we will provide a **survivor's drawdown pension**.

**Business day** – means any full day on which banks, investment managers and the London Stock Exchange (LSE) are open for business.

**Capped drawdown** – means a **drawdown pension** arrangement set up before 6 April 2015 withdrawals from which are subject to certain limits and is not a **flexible drawdown** arrangement, and is described in paragraphs 8 and 22 of schedule 28 to the Finance Act 2004.

**Cash facility** – means the untraded cash account that is set up for and within your **SIPP** for the movement of money to and from, and within, your **SIPP**.

**Cash-in value** – means the total value at **unit price** of the **units** being cashed in.

**Confirmation of application** – means the document called 'Confirmation of application' that we issue to you or any additional, amended or updated version of it that we issue at a later date.

**Confirmation of investment – contract note** means the document called 'Confirmation of investment – contract note' that we issue to you.

**Deed** – means the **deed** or declaration of trust establishing the **scheme** and any amendment or modification to it that is made at any time and from time to time. If you ask us for a copy of the **deed**, we will give you the version that applies at that time.

**Dependant** – has the meaning set out in the **rules**, except where **survivor's drawdown pension** is being provided, in which case it means the **survivor** named in any documentation that we issue to that **survivor**.

**Discretionary fund manager** – means an appropriately authorised manager you select to manage investments within your **SIPP** on your behalf.

**Drawdown pension** – means a **drawdown pension** as set out in paragraph 4 of part 1 of schedule 28 to the Finance Act 2004. Broadly speaking, it is the payment of a pension directly from the funds in your **SIPP**.

**Drawdown pension commencement date** – for each **arrangement**, means the first date on which some or all of the sums

and assets under the **arrangement** (being **units** under the **policy** and/or other assets held in your **SIPP**) are designated as **drawdown pension** in terms of paragraph 8 of part 1 of schedule 28 to the Finance Act 2004.

**Flexi-access drawdown** – means a new **drawdown pension** arrangement set up on or after 6 April 2015; a **flexible drawdown** arrangement that was converted as detailed in 14 of section C of the **Terms and conditions**; or a **capped drawdown** arrangement which has either been converted to flexi-access drawdown following our acceptance of your request to that effect or has become a flexi-access drawdown arrangement through an error that cannot be rectified. Flexi-access drawdown is detailed in paragraphs 8A and 22A of schedule 28 to the Finance Act 2004.

**Fund benchmark** – means the relevant measure that an **ARC insured fund** is being compared to with respect to the management or performance as described in the **ARC insured fund**.

**Fund management charge** – is described in Condition 9.1.

**Guaranteed minimum death benefit** – means the fund value that has a minimum value on the death of the member as more fully described in Condition 7.4.2.

**Guaranteed pre-income increase rate** – means the rate as detailed in your Confirmation of your Secure retirement income investment statement.

**Head office** – means our head office which may change from time to time.

**HMRC** – means HM Revenue & Customs.

**Income basis** – means the method on which we will pay income from your **Secure retirement income account**. Single life means we pay the income for your life only and **joint life** means we pay for your life and then for the life of your nominated **joint life**. Where income is not taken immediately your Secure retirement income account will be set up on a deferred income basis.

**Initial income base** – means the value of the investment or, if more than one, the total investments into the **Secure retirement income account**.

**Income base** – means the value that we use to work out the amount of income. This is more fully described in Condition 7.3.1.

**Income rate** – means the percentage of the **income base** that determines the level of your income from your **Secure retirement income account**. This percentage rate is based on your age that you start to take the income and the percentage rates that were fixed when we set up your **Secure retirement income account** and confirmed in the Confirmation of your Secure retirement income investment statement.

**Joint life** – means the person that you nominate to receive your **Secure retirement income account** after you die with the option to continue income at the **joint life** income proportion rate, confirmed in your Confirmation of your Secure retirement income investment statement, and based on your income rate whatever the value of your **Secure retirement income account**.

**Liabilities and expenses** – are described in Condition 10.

**Lifestyle fund** – means a fund that uses a two-stage investment strategy. In the early years, they are designed to grow **your** pension fund. In the second stage, during the last few years before **you** retire, these funds are designed to automatically change **your** mix of investments to those better suited to meeting retirement needs. These are more fully described in 4.5.

**Member** – means the **member** named in your **Confirmation of application**.

**Monthly date** – means the same date of the month as the start date unless that day would be the 29th, 30th or 31st of a month that has fewer than this number of days. In this case, **monthly date** means the last day of the relevant month (for example, if the start date is on 31 December, the **monthly**

**dates** for March, June, September and December are 31 March, 30 June, 30 September, and 31 December in each year). Where that date falls on a day that is not a **business day**, it will be the last **business day** prior to that date.

**Policy** – means and is made up of:

- this booklet;
- your **Confirmation of application** and first **Confirmation of investment – contract note**, and
- any additional document we give you that makes a change to this booklet and/or makes changes to your **Confirmation of application**.

**Retirement age** – means that date within your **SIPP** that has been specified as such in accordance with your **Terms and conditions**.

**Rules** – mean the **rules** of the scheme.

**Scheme** – means the Aegon Self Invested Personal Pension Scheme established by a Declaration of Trust executed by Scottish Equitable plc on 30 September 2011 and any amendments that are made from time to time.

**Secure retirement income** – means the part of your **policy** that provides for:

- a secure level of income for your life with a **guaranteed minimum death benefit**; or
- a secure level of income for your life with no **guaranteed minimum death benefit**, or
- a secure level of income for your life continuing to a **joint life** on your death.

**Secure retirement income account** – means a sub-account that is held within your uncrystallised or crystallised **SIPP** that contains your investment for **Secure retirement income**.

**SIPP** – means the self-invested personal pension that you have as a **member** of the **Scheme**.

**Start date** – is set out in your **Confirmation of application**. It means the date when your **policy** started.

**Survivor** – means in relation to a deceased **member** any person who in the opinion of the scheme administrator of the **scheme** is a dependant, nominee or successor of that **member** as described in the **rules**.

**Survivor's drawdown pension** – means a **survivor's drawdown pension** as set out in paragraph 18 of part 2 of schedule 28 to the Finance Act 2004 and is described in your **Terms and conditions**.

**Survivor's drawdown pension commencement date** – means the date, after the death of the **member**, on which a fund (being **units** under this **policy** and/or other assets held in your **SIPP**) is designated (under paragraph 8 or 8A of Schedule 28 to the Finance Act 2004) for **survivor's drawdown pension** for that **survivor**.

**Terms and conditions** – means the documents that set out the **Terms and conditions** of your use of the **Service** and that govern your **SIPP**.

**The Service** – means the service provided by **us** for **you** and **your adviser**, to manage **your investments** within **your product wrappers**; it may also include other services that **we** provide within, or related to, **your product wrappers**.

**Uncrystallised funds lump sum death benefit** – has the meaning set out in the **rules**.

**Unit** – means one, or part of one, of the notional **units** of equal value that we divide each **ARC insured fund** into.

**Unit price** – in relation to a whole **unit** of an **ARC insured fund**, means the **unit price** calculated in line with 5.4.

**Wound-up fund value** – is described in Condition 4.4.4.

**1.3** Where we use the masculine form of a word, it also includes the feminine. The opposite also applies.

**1.4** Words in the singular include the plural. The opposite also applies.

**1.5** Where we refer to a piece of legislation, we are also referring to any amendment or re-enactment of the legislation. We also refer to any regulations made under the legislation, and that includes any corresponding provisions in force in Northern Ireland.

**1.6** All references to conditions are references to conditions in this ARC Insured Funds Policy unless stated otherwise.

## **2 Overriding provision**

The terms of your **policy** are subject to being allowed by the **deed** and **rules** of the **scheme**.

No term of your **policy** shall override/take precedence over any provision of the **deed** and **rules** of the **scheme** unless we tell you that a term of your **policy** is to override/take precedence over a provision of the **deed** and **rules** of the **scheme**.

## **3 Deemed creation, cancellation and allotment of units**

We do not actually have to create or cancel any **units** of any **ARC insured fund**, or to allot any **units** to your **policy**. Instead, we may deem these **units** as having been created, cancelled or allotted. This is for accounting purposes on our computer systems. The **unit price** of these deemed **units** will be the same as the **unit price** of the actual **units** at the relevant times.

Where we refer to the creation, cancellation or allotment of any **units**, this includes the deemed (or notional) creation, cancellation or allotment of these **units**.

## **4 The ARC insured funds**

### **4.1 ARC insured funds**

The **ARC insured funds** will consist of any **ARC insured funds** that we agree are available to your **policy**. If you want to see a description of the **ARC insured funds**, you can get one from our **head office**.

**4.2** You can see how the **ARC insured funds** operate in 4.3 to 4.6. Additional terms apply to certain **ARC insured funds**.

### **4.3 Our powers relating to the ARC insured funds**

Regardless of the name and description of each of the **ARC insured funds**, and where UK law and regulation allows, we have power to:

- a acquire and hold, for the **ARC insured funds**, investments and assets of any kind;
- b borrow money for any of the **ARC insured funds**;
- c use as security any asset of the **ARC insured funds**; and
- d change the objectives of the **ARC insured funds**, but only where the change would not materially alter the risk profile of the **ARC insured funds**.

### **4.4 Closing and winding up an ARC insured fund**

#### **4.4.1**

- a During the lifetime of your **policy** we may need to close, wind up or remove **ARC insured funds** for a variety of reasons. When we decide to close, wind up or remove an **ARC insured fund**, we will act reasonably and take account of all our policyholders' interests. The reasons for closing, winding up or removing an **ARC insured fund** may include but are not limited to:
  - the manager of the underlying **ARC insured fund** tells us that the underlying **ARC insured fund** is to close;
  - it is no longer cost effective to keep the **ARC insured fund** open;
  - we consider that for **ARC insured funds** of a small size the total cost of the **ARC insured fund** is too high for policyholders;
  - we are told about a change in management approach or corporate strategy by the manager, or a change in manager of the underlying **ARC insured fund** that we reasonably believe may

impact on the ability to manage the underlying **ARC insured fund** in accordance with our objective;

- we think that the **ARC insured fund** may not be able to meet its objectives in future;
- responding to underlying **ARC insured fund** manager changes;
- operational constraints such as a failure to meet minimum **ARC insured fund** size or change to operational complexity, and
- **ARC insured funds** may close, merge or change as a result of our commercial or strategic decisions.

- b For the purposes of this condition an underlying **ARC insured fund** means an external **ARC insured fund** in which our **ARC insured fund** is invested.

#### 4.4.2 Closing an ARC insured fund

- a We have the right to close an **ARC insured fund**. If you hold **units** in that **ARC insured fund**, we will normally give you at least 60 days' notice that we are going to do this. However, where the underlying reason for closing the **ARC insured fund** is outside of our control and means that we are unable to give you this amount of notice, we will tell you as soon as reasonably practicable.
- b We will not issue any further **units** in an **ARC insured fund** that is closed but it will continue to exist until it is wound up or the last of its **units** is cancelled.
- c Until we wind up an **ARC insured fund** that is closed, or the last of its **units** is cancelled, we may re-open that **ARC insured fund**. If you hold **units** in that **ARC insured fund**, we will tell you that we have done this.

#### 4.4.3 Winding up an ARC insured fund

- a We have the right to wind up an **ARC insured fund**. If you hold **units** in that **ARC insured fund**, we will give you at least 60 days' notice that we are going to do this. However, where the underlying reason for closing the **ARC insured fund** is outside of our control and means that we are unable to give you this amount of notice, we will tell you as soon as reasonably practicable.
- b When we are in the process of winding up an **ARC insured fund**, we will either:
- sell the assets of the **ARC insured fund**; or
  - transfer the assets of the **ARC insured fund** to another **ARC insured fund(s)** for an amount equal to a fair market value that we reasonably believe we could sell them for, less any actual or estimated liabilities and expenses.
- c When we have either sold or transferred all of the assets, we will cancel all of the **units** in that **ARC insured fund**. Before we cancel the **units**, we will calculate the value of all **units** that remain in that **ARC insured fund**. We will do this by taking the total amount from the sale or transfer and deducting an amount we estimate covers all outstanding liabilities and expenses. This will give the wound-up **ARC insured fund** value. We will then wind up the **ARC insured fund**.
- d Your share of the wound-up **ARC insured fund** value will equal the number of **units** held by you immediately before the **ARC insured fund** is wound up, divided by the total number

of **units** in that **ARC insured fund** at that time. We will apply your share of the wound up **ARC insured fund** value (which will be a percentage of the wound-up **ARC insured fund** value) to allot **units** in other **ARC insured funds** to your **policy** at the **unit price** of those **ARC insured funds**. We will do this in accordance with your instructions. If you do not give us any instructions before the **ARC insured fund** is wound up, we will allot **units** in the **ARC insured funds** we set out in the notice telling you that we are going to wind up the **ARC insured fund**.

#### **4.4.4 Removing an ARC insured fund from your policy**

- a You have a range of **ARC insured funds** available under your **policy**. We can remove an **ARC insured fund** from those available to you under your **policy**. We can do this in the same circumstances as detailed in 4.4.1a above. In addition, some of the **ARC insured funds** we provide are only available in certain circumstances including but not limited to through certain advisers, consultants or other agreements we may have entered into. Where those circumstances change, those **ARC insured funds** may no longer be available under your **policy** and this condition will apply.
- b Where an **ARC insured fund** is removed from the **ARC insured funds** available under your **policy**, we will give you the same notice as detailed in 4.4.3a above. We will sell your **units** in that **ARC insured fund** and allot the value of those

**units** to other **ARC insured funds** available to your **policy** at the **unit price** of those other **ARC insured funds**. We will do this in accordance with your instructions. If you do not give us any instructions before the **ARC insured fund** is removed, we will allot **units** in the **ARC insured funds** we set out in the notice telling you that we are going to remove the **ARC insured fund**.

#### **4.4.5 Alternative ARC insured funds**

Any alternative **ARC insured fund** that we nominate under 4.4.3d and 4.4.4b above will be an **ARC insured fund** that we consider closely reflects the make-up of the **ARC insured fund** that is closed, wound up, or removed. We are not responsible for the new **ARC insured fund** and are not liable for its performance or suitability. If you do not want to be invested in the alternative **ARC insured fund** chosen by us, then you must give us alternative instructions as detailed in 4.4.3d and 4.4.4b above or change your **ARC insured fund** after the action mentioned in those conditions has taken place.

### **4.5 Lifestyle Funds**

The **ARC insured funds** may include funds where **we** automatically change the underlying investments over a defined glidepath to target a particular outcome. These funds may be designated a **Lifestyle fund**, a workplace target fund or another designation where the description will make clear the fund operates with a glidepath. The purpose of such a glidepath is to move your investment into the retirement fund or a similar fund at a particular date. This date is the **retirement age** that is specified when **you** open your **SIPP**.

A **lifestyle fund** invests in a series of **ARC insured funds** and has an investment strategy designed to change, over a period of time determined by that **lifestyle fund**, from a variety of underlying assets with growth potential to investments better suited to meeting retirement needs. This will be carried out in line with the objectives of that **lifestyle fund**. A **lifestyle fund** does this by moving the value of your investment through three phases:

- growth;
- glidepath, and
- retirement.

Details of the objectives of the lifestyle strategy for any particular **lifestyle fund** and the timings of movement between phases, are detailed in the relevant **lifestyle fund** information that we provide.

For each phase of a **lifestyle fund**, you will have purchased **units** in an **ARC insured fund**. As you move from one phase to the next, the **units** that you hold in the underlying **ARC insured fund**, will be cashed in and used to purchase **units** in the underlying **ARC insured fund** of the next phase within the **lifestyle fund**.

If you change your **retirement age**, we will take action to ensure you hold **units** in the fund and phase of your chosen **lifestyle fund** that corresponds to your amended **retirement age**. This may require us to sell **units** in your existing **lifestyle fund** and purchase **units** in the growth, glidepath or retirement phase of the chosen **lifestyle fund** that targets your amended **retirement age**. We will do this in accordance with clause 7.12 of **your terms and conditions**.

We will carry out the required action within 60 days of notification.

In line with all other **ARC insured funds**, when you instruct us to cash in **units** in the **lifestyle fund**, the proceeds will be paid into the **cash facility**. This will not apply where we cash in **units** as part of the move between phases within the **lifestyle fund**.

#### **4.6 Rights in respect of assets of ARC insured funds**

We will hold the assets that make up any **ARC insured fund** and any rights relating to them. You have no right to the assets that make up any **ARC insured fund**. We will similarly limit the rights of our other policyholders.

#### **4.7 Ownership of the ARC insured funds**

The **ARC insured funds** and the assets that make up these **ARC insured funds** are our absolute property. All assets are or will be registered accordingly. We are not a trustee for you.

#### **4.8 Risks of investment in ARC insured funds**

From 20 March 2018, policies with a **start date** of 20 March 2018 or later will bear all risks associated with investment in the **ARC insured funds**.

These risks include where **we** reinsure our obligations under the **ARC insured funds** to a third party and that third party fails to meet its obligations owed to **us**. In such scenarios **you** would bear any losses arising from that third party's failure to meet its obligations.

You will bear the risk of the default or fraud of any third party insurer or manager responsible for an **ARC insured fund**, or any counterparty to any transaction in respect of an **ARC insured fund**.

If you require further information on this you should speak to your adviser (if **you** have one) or contact us via **the Service**.

### **5 Valuing ARC insured funds and working out unit prices**

#### **5.1 Creating and cancelling units**

When we add cash or any other asset to an **ARC insured fund**, we will create **units** in it equal to the value of the cash or those other assets. When we cancel **units** from an **ARC insured fund**, we will take from it cash or other assets equal to the value of **units** cancelled.

## 5.2 Valuing assets in an ARC insured fund

**5.2.1** We will normally carry out a valuation of the assets in an **ARC insured fund** at least once on each **business day**. We value certain assets within an **ARC insured fund** less often than once each **business day** because daily valuations may not be available for these assets. Such assets include property (for example land, buildings and leaseholds), derivatives and securities that are not quoted on a recognised stock exchange. A derivative is typically a right or an obligation to buy or sell another type of asset – such as a share or a bond – at a set price to someone else at a set date and time in the future. The set price may turn out to be higher or lower than the market price at that date. The most common types of derivatives are futures and options. Securities include stock, shares and bonds. We will value any such assets at least once a month.

**5.2.2** There may be circumstances beyond our control that stop us from valuing assets on any particular **business day**.

**5.2.3** Where we do not or cannot value an asset in an **ARC insured fund** at least once on a **business day**, we will estimate the value of that asset on that particular **business day**. We will take into account changes in the market, any current restrictions or difficulties in trading in such assets and any other circumstance that might affect a valuation. We will always act fairly when we are estimating the value of an asset under this condition.

**5.2.4** When an **ARC insured fund** is expanding, we will value the assets of that **ARC insured fund** at the market price at which we

estimate its assets may be bought, including the actual and/or our estimate of the **liabilities and expenses** of buying those assets. An **ARC insured fund** is expanding when the normal position of that **ARC insured fund** in the recent past is that more **units** were being bought than sold in that **ARC insured fund**.

**5.2.5** When an **ARC insured fund** is contracting, we will value the assets of that **ARC insured fund** at the market price at which we estimate its assets may be sold, less the actual and/or our estimate of the **liabilities and expenses** of selling those assets. An **ARC insured fund** is contracting when the normal position of that **ARC insured fund** in the recent past is that more **units** were being sold than bought in that **ARC insured fund**.

**5.2.6** Our estimate of the **liabilities and expenses** of any purchase or sale will be an amount that we believe we would have incurred in buying or selling the asset at the date of the valuation.

**5.2.7** The **ARC insured fund** may change from expanding to contracting, or from contracting to expanding. Where it changes, we can change the basis on which we value the assets. This is to make sure we give fair treatment to:

- a** buyers of **units**;
- b** sellers of **units**, and
- c** those policyholders who remain invested in that **ARC insured fund**.

## 5.3 When and how we value an ARC insured fund

We will value an **ARC insured fund** on each **business day**. We will do this by:

- a** adding up the value of its assets as calculated in 5.2, and

- b deducting the actual and estimated **liabilities and expenses**, and **fund management charge**, of that **ARC insured fund**. To avoid doubt, this does not include the **liabilities and expenses** of buying and selling assets mentioned in 5.2.4 and 5.2.5

## 5.4 Calculating unit price

We allot **units** to, and cancel **units** from, each **ARC insured fund** at the relevant **unit price**. We calculate the **unit price** by dividing the value of an **ARC insured fund** by the number of **units** of that **ARC insured fund** then in issue. We will round the result down or up, as appropriate, by not more than 0.01p.

## 5.5 Exceptional circumstances

**5.5.1** Exceptional circumstances can affect the valuation of assets in an **ARC insured fund** and the pricing of **units**. Examples of exceptional circumstances include extreme volatility of market prices around a significant global or national event such as:

- a major terrorist attack;
- a major political event, for example a coup affecting a strategic market; or
- a major exchange event.

**5.5.2** We do not know in advance what action we will take in any given situation as this will depend on the situation itself and its effect on the valuation of assets and pricing of **units**. Our actions will always be reasonable and proportionate to the circumstances. Examples of actions that we may take include:

- the suspension of creation and/or cancellation of **units** in any **ARC insured fund**;
- the suspension of pricing of any **ARC insured fund**;
- applying indexation in estimating the value of any **ARC insured fund**. This means

we work out how much an **ARC insured fund's** value will have changed by applying to it an amount that represents the proportionate change in the **fund benchmark** for the period between the date when we were last able to obtain a value for the **ARC insured fund** and the date when we are estimating the value of the **ARC insured fund**; or

- moving away from a stated investment strategy of any **ARC insured fund**.

## 6 Purchasing and cashing in units

**6.1** When a payment is received from the **cash facility**, we will apply this by allotting to your **policy** the number of **units** of the relevant **ARC insured funds** that can be allotted at the relevant **unit price**. Once we receive a valid instruction at or before the dealing point, your **units** will be created at the **unit price** on the next **business day**. Where we receive your instruction on a day that is not a **business day**, we will create those **units** at the **unit price** we calculate on the next **business day**.

**6.2** You can choose to cash-in **units** under your **policy** and for the sum raised to be applied to the **cash facility**. We will cancel the **units**, at **unit price**, that you request us to cancel. Once we receive a valid instruction at or before the dealing point, your **units** will be cancelled at the **unit price** on the next **business day**. Where we receive your instruction on a day that is not a **business day** we will cancel those **units** at the **unit price** we calculate on the next **business day**. We will make the cancellation of **units** proportionately from all applicable **ARC insured funds** for which there are **units** under your **policy** unless otherwise agreed between you and us. The amount we will pay to the **cash facility** will equal the **cash-in value** of the **units** cancelled.

- 6.3** Your instruction to purchase or cash-in **units** must be given by you or your **adviser** or **discretionary fund manager** using **the Service** or, in exceptional circumstances, should **the Service** not be available, via another media which **we** will inform **you** of.

The **Terms and conditions** detail who can give these instructions and in what circumstances.

## **7 Secure retirement income**

### **7.1 General**

- 7.1.1** The following conditions apply only where you are an existing **secure retirement income** customer as at 28 February 2018.
- 7.1.2** **Secure retirement income** is an investment that provides a certain level of income which is deducted from your fund and that we will continue to pay until you die, even if your fund reduces to zero. There is also the option for this income to continue to be paid to a **joint life** (see Conditions 7.4.3) or pay a **guaranteed minimum death benefit** (see Condition 7.4.2). **Secure retirement income** is only available with gate 4 access under clause 7.3 of the **Terms and conditions**, this means that it can only be applied for through your adviser.
- 7.1.3** We will provide specific **ARC insured funds** that you can invest in through your **Secure retirement income account**; no other investments can be used for your **Secure retirement income account**. We will tell you the **ARC insured funds** that are available for your **Secure retirement income account**, and the number of **ARC insured funds** that you can invest in, at the time you apply for your **Secure retirement income account**. We reserve the right to change the **ARC insured funds** that are available at any

time. Where we change the **ARC insured funds** that are available for a **Secure retirement income account**, this will not affect any existing **Secure retirement income account**, which will remain invested in the **ARC insured fund** chosen.

The only time we will move you out of your current **ARC insured fund** is if we wind up that fund as detailed in Condition 4.4.3 of the **ARC insured funds Policy** or that fund is removed from **the Service** under clause 7.2 of the **Terms and conditions**. If we do this, this will not affect your **Secure retirement income account** other than in relation to the **ARC insured fund** you are invested in.

- 7.1.4** You can apply for a **Secure retirement income account** at any time from your 45th birthday to the day before your 75th birthday, however this is subject to condition 7.1.1 above. You will not be able to apply for a **Secure retirement income account** for any **capped drawdown** that you have within your **SIPP**. If part of your **SIPP** is in **capped drawdown** but part is not (it remains uncrystallised), you can still apply for a **Secure retirement income account** for that part of your **SIPP** that is uncrystallised. If you have a **Secure retirement income account** within your uncrystallised **SIPP** but also have **capped drawdown**, before you crystallise the investment in your **Secure retirement income account** you will need to ask us for your **capped drawdown** to be converted to **flexi-access drawdown**. Only once your **capped drawdown** has been converted to **flexi-access drawdown** can you crystallise the investment in your **Secure retirement income account**.

**7.1.5** You can have more than one **Secure retirement income account** where **we** agree this with **you** and **we** accept **your** application referred to in 7.1.4. This may happen where you have applied for different **Secure retirement income accounts** at different times under your **SIPP**, crystallised only a part of a **Secure retirement income account**, or have a **Secure retirement income account** under the **scheme** but not through your **SIPP**. If you have more than one **Secure retirement income account**, each **Secure retirement income account** is treated separately for the purposes of this **Policy**. If you crystallise part of an existing **Secure retirement income account**, this will create a new **Secure retirement income account** for the crystallised part, with the part that remains uncrystallised being recalculated as detailed in Condition 7.5.

**7.1.6** If we accept an application for a **Secure retirement income account**, all money in relation to that **Secure retirement income account** must be received within 10 weeks of that application being submitted to us to receive the terms that we apply at the time of the application. If any money in relation to that application is received more than 10 weeks after the submission of that application, a new **Secure retirement income** application is required for that money. This new application will be used to set up a new **Secure retirement income account** based on the terms that apply at the time of application: this will mean that the charges, **income rate** and other aspects of this **Secure retirement income account** may differ from what was originally applied for.

**7.1.7** Condition 7.5 details what happens if **units** are cashed in for any reason other than to meet income under Conditions 7.3.2, the **Aegon product charge**, or the **Aegon guarantee charge**. When this happens, the **initial income base**, the **income base**, the amount of income you or the **joint life** might receive, and any **Guaranteed minimum death benefit** will be altered as detailed in that condition.

## **7.2 Limits**

### **7.2.1 Minimum and maximum**

We operate a minimum and maximum amount that can be invested in a **Secure retirement income account**. The value of the minimum and maximum can vary from time to time and you will be advised of the minimum and maximum values at the time you apply for your **Secure retirement income account**. You can find details of these minimum and maximum amounts through your **adviser** or **the Service**.

### **7.2.2 Overall maximum**

**7.2.2.1** There is also an overall maximum amount that we will allow to be invested by one member of the **scheme** in all their **Secure retirement income accounts** held within the **scheme**. This maximum applies across all your pensions that you hold within the **scheme**. You can find details of the current maximum amount that can be invested in all your **Secure retirement income accounts** through your **adviser** or **the Service**. We can alter the maximum amount at any time but such a change will only apply to future **Secure retirement income** applications and not affect any existing **Secure retirement income account**.

7.2.2.2 We will check your **Secure retirement income** application against all your other **Secure retirement income accounts** within the **scheme**. If your **Secure retirement income** application would take the total value of all your **Secure retirement income accounts** above the current maximum, we can reject your application. We have the right to reject your application even where we have sent out a confirmation of application as the confirmation of application may be sent out prior to us being able to carry out this check.

7.2.2.3 To calculate if you have invested more than the overall maximum, we will add the amount you wish to invest in your new **Secure retirement income** application to the current **income base** of all other **Secure retirement income accounts** that you hold. If this results in an amount greater than our current overall maximum, we can refuse your application for **Secure retirement income**.

## 7.3 Income

### 7.3.1 Income escalator and guaranteed pre-income increase

7.3.1.1 We set the **initial income base** of your **Secure retirement income account** when we set it up, with the first **income base** amount from the setting up of the **Secure retirement income account** being equal to the **initial income base**. The **income base** is reviewed on each **anniversary date**, even if the **Secure retirement income account** is set up on a different date than the **start date**. When your **Secure retirement income account** is set up, the **initial income base** is equal to 100% of all the investment to the **Secure retirement income account**. If you

cash in any **units** at any time, the **initial income base** and **income base** will be recalculated as detailed in Condition 7.5.

7.3.1.2 If there is more than one investment into the **Secure retirement income account**, each investment received will lead to a change to the **initial income base** and the **income base**. This is calculated by adding each investment received onto the original value of the investments already received for the **initial income base** and adding each investment received to the value of the **income base** at date of investment. This original value is the value at the time they are applied to the **Secure retirement income account** and not the value of the **units** on the day the other investments are received.

If you cash in any **units** at any time, the **initial income base** and **income base** will be recalculated as detailed in Condition 7.5.

7.3.1.3 On each **anniversary date** we will review the **income base** and, from that time, it will be the higher of:

- a the value, at **unit price**, of all the **units** that remain allotted to your **Secure retirement income account** on that **anniversary date**;
- b the highest value, at **unit price**, of all **units** that remain allotted to your **Secure retirement income account** on any **monthly date** during the previous **Secure retirement income account** year, being the year to the relevant **anniversary date**, and recalculated in accordance with Condition 7.5 where applicable; and
- c the **income base** immediately prior to the **anniversary date**.

7.3.1.4 If you have not taken any income from your **Secure retirement income account**, on an **anniversary date** where the **income base** calculated under Condition 7.3.1.3 results in no increase to the previous **income base**, or an increase of less than the percentage amount of the **initial income base** multiplied by the **Guaranteed pre-income increase rate** we specified to you in your Confirmation of Secure retirement income, we will increase the **income base** by the **initial income base** multiplied by the **Guaranteed pre-income increase rate**.

For each investment made to your **Secure retirement income account**, we will calculate a proportionate amount at the first **anniversary date** following the investment date based on the number of days elapsed between the date of investment and the **anniversary date**.

7.3.1.5 If you cash in **units** in the **ARC insured fund** that you are invested in for your **Secure retirement income account**, the **initial income base** and **income base** will be recalculated as detailed in Condition 7.5.

## 7.3.2 Taking income

7.3.2.1 You can only take income from your **Secure retirement income account** if it is held within a part of your **SIPP** that has crystallised. Income can be started at any time from your crystallised **SIPP** unless that **SIPP** is providing **Capped drawdown**; any **Secure retirement income** that you hold must be part of your **flexi-access drawdown SIPP** before it can pay any income.

7.3.2.2 You are not obliged to start taking income from your **Secure retirement income account** when you crystallise all or part

of your **SIPP**, even if you move your **Secure retirement income account** into the crystallised part of your **SIPP**.

7.3.2.3 When you crystallise all or part of your **Secure retirement income account** in your **SIPP**, we will open a new **Secure retirement income account** in your crystallised **SIPP** for the amount you have elected to move. The new **Secure retirement income account** will inherit the terms that applied to the **Secure retirement income account** it originated from. Where you elect to crystallise less than 100% of the value of your **Secure retirement income accounts** in your **SIPP** we will remove from your **Secure retirement income account** that part that is to be crystallised and create a new **Secure retirement income account**, as detailed in this Condition 7.3.2.3, with that amount. The remaining **Secure retirement income account** will be recalculated as detailed in Condition 7.5.

7.3.2.4 You can take income from different **Secure retirement income accounts** held in your crystallised **SIPP** at different times; you do not have to take income from them all at once. The **income rate** that will apply to a **Secure retirement income account** you are taking income from will be the **income rate** applicable at the time you start to take the income from that **Secure retirement income account**.

7.3.2.5 You can start to take an income from your **Secure retirement income account** at any time from the later of your 55th birthday or any later date that is prescribed in legislation for starting **flexi-access drawdown** where you do not have a protected

pension age. Even if you have a protected pension age, you will still not be able to start income from any **Secure retirement income account** until you reach the age stated in this clause. Once you start taking income from your **Secure retirement income account**, this will be paid to the **cash facility** of your **crystallised SIPP** that it relates to. Any **drawdown pension** that you receive will be payable as detailed in 13 of section C of the **Terms and conditions**. There is no maximum age at which income must start to be taken.

7.3.2.6 Income will be paid monthly to the **cash facility** of your crystallised **SIPP** and based on the date you have selected for your monthly drawdown payment to be paid from your crystallised **SIPP**. We will cash in as many of the **units**, at **unit price**, allotted to your **Secure retirement income account** that is paying an income as we need to to provide this income. We will do this as often as we need to. We will cash in these **units** in sufficient time prior to the date of payment and pay the proceeds to your **cash facility** so that the income reaches your **cash facility** in time for your drawdown payment to be paid.

7.3.2.7 Your income payments will be paid for the rest of your life. If you have a **joint life**, the income payable to a **joint life** will be paid as detailed in Condition 7.4.3. In the event that your **Secure retirement income account** fund value is reduced to less than the income payment, we will cash in all remaining **units** and pay the full income payment. We will then continue to make payment of your income until your date of death without cancelling **units** as there are no **units** left to cancel. The amount of income that

we will pay will be equal to the last income payment made before the value of your **Secure retirement income account**, or that part of it that the income is in respect of, fell below the level of income due.

7.3.2.8 On the date you start to take income from your **Secure retirement income account**, you will receive income at the **income rate** that applies to your **Secure retirement income account**. This is a percentage of the **income base** at the date you take income. The **income rate** is based on your age at the time you start to take income from that **Secure retirement income account** and will be fixed for that **Secure retirement income account** until you die. That **income rate** also determines the amount of income payable to any **joint life** as detailed in Condition 7.4.3.

7.3.2.9 The **income rate** that applies to that **Secure retirement income account** that is detailed in Condition 7.3.2.8 is a percentage of the **income base** at the time you start to take income. On each **anniversary date**, your income will be recalculated based on the new **income base** as calculated in Condition 7.3.1.3. If your **income base** has not altered then the amount of income paid to your **cash facility** will not increase.

7.3.2.10 If your **income base** is recalculated as detailed in Condition 7.5, we will also recalculate your income using the **income rate** and the recalculated **income base** of your **Secure retirement income account**. This will be for any future income payments. If there is an income payment in the process of cashing in **units** under Condition 7.3.2.6, this will not be affected by the change in the **income base**.

## 7.4 Death benefits

### 7.4.1 Options

7.4.1.1 When you die with a **Secure retirement income account**, there are three possible scenarios, depending on whether you have chosen a **Guaranteed minimum death benefit** or a **joint life** on your **Secure retirement income account**:

- if there is no **Guaranteed minimum death benefit** and no **joint life**, you have removed the **joint life**, or the **joint life** decides not to continue the income from your **Secure retirement income account**, we will cash in all **units** in the **Secure retirement income account** and the value of those **units** is paid to the **cash facility** of your **SIPP** to be used to provide death benefits under your **SIPP**;
- where **Guaranteed minimum death benefit** applies, the **Guaranteed minimum death benefit** as determined in Condition 7.4.2 is paid to the **cash facility** of your **SIPP** and used to provide death benefits under your **SIPP**;
- where there is a **joint life** on the **Secure retirement income account**, and the **joint life** decides to continue to receive income, the **Secure retirement income account** remains with income paid out as detailed in Condition 7.4.3.

The timing of the payment to your **cash facility** is dependent on the decisions that are made. The earliest we will cash in the **units** will be when we receive evidence of your death and no further action is required.

If we need further details prior to making payment, or wait on

a decision from the **joint life** on whether or not they are continuing with the income, the date we cash in the **units** and pay it to the **cash facility** will be later.

### 7.4.2 Guaranteed minimum death benefit

7.4.2.1 This benefit provides a minimum level of fund value for your **Secure retirement income account** on your death. The fund value of the **Secure retirement income investment** that is paid out on your death will be the greater of:

- the **initial income base**, less total income payments paid from your **Secure retirement income account**, where applicable, as recalculated under Condition 7.5 if applicable;
- the highest value of your **Secure retirement income account** on the **monthly date** at the last **Secure retirement income anniversary date** before receipt of evidence of death, less total income payments paid from your **Secure retirement income account**, where applicable, as recalculated under Condition 7.5 if applicable; and
- the cash in value of all **units** under your **Secure retirement income account** when it is cashed in after your death.

The **Guaranteed minimum death benefit** will then be paid to your **cash facility** and the **Terms and conditions** will determine how any benefits on death will be paid.

7.4.2.2 If you die within 12 months of taking out a **Secure retirement income account** with **Guaranteed minimum death benefit**, we will investigate the circumstances of your death. If, after carrying out reasonable enquiries, we are of

the opinion that you were aware or should have been aware that you would not survive 12 months from the date of application, the claim for **Guaranteed minimum death benefit** will fail and the cash in value of the **units** under your **Secure retirement income account** will be the death benefit.

7.4.2.3 **Guaranteed minimum death benefit** cannot be used in conjunction with a **joint life** on a **Secure retirement income account**. Therefore, if you start taking income from your **Secure retirement income account** and chose a **joint life** for this **Secure retirement income account**, any **Guaranteed minimum death benefit** that you had on this **Secure retirement income account** will no longer apply.

### 7.4.3 **Joint life**

7.4.3.1 The **joint life** option allows you to nominate a beneficiary to have the option, on your death, of continuing the **Secure retirement income account** in their own name.

7.4.3.2 You need to select the **joint life** option at the time that you start to take income from your **Secure retirement income account**. If you select this option, any **Guaranteed minimum death benefit** that you may have will cease, and the **Aegon guarantee charge** will alter to the amount that you were advised, when you invested in the **Secure retirement income account**, would apply if the **joint life** option is selected.

7.4.3.3 The **joint life** selected must be:

- your spouse or registered civil partner;
- a **dependant**, and
- born no more than 10 years after you.

7.4.3.4 Once you have selected a **joint life**, you cannot change this selection to another person.

7.4.3.5 You can revoke the nomination of the selected **joint life**. If you do this, the **joint life** will be removed from the **Secure retirement income account** and cannot be reinstated. The **Aegon guarantee charge** that applies for the **joint life** (see Condition 7.4.3.2) will continue to apply, even if you remove the **joint life** from your **Secure retirement income account**. For the avoidance of doubt, you cannot appoint a new or alternative **joint life** at any time.

7.4.3.6 If the **joint life** pre-deceases you, you are not able to nominate a new **joint life**. The **Aegon guarantee charge** that applies for the **joint life** (see Condition 7.4.3.2) will continue to apply even after the death of the **joint life**.

7.4.3.7 Income for the **joint life** is a continuation of your **Secure retirement income account**, with the income based on the **joint life** terms that applied at the time we accepted your application for the **Secure retirement income account**. The amount of income that we will pay to the **joint life** under Condition 7.3.2 will be a percentage of the income that we paid you under that Condition and confirmed to you as the 'joint life income proportion rate' in your Confirmation of Secure retirement income.

## 7.5 **Switching out of and crystallising funds under a Secure retirement income account**

7.5.1 If **units** are cancelled from the **ARC insured funds** in your **Secure retirement income account** for any reason other than payment of income under Condition 7.3.2, payment of the

**Aegon product charge** or payment of the **Aegon guarantee charge**, the **initial income base** and **income base** will be recalculated. When the **initial income base** and the **income base** are recalculated, everything that is based on these will also be recalculated and now based on the new **initial income base** or the new **income base**, whichever calculation is applicable. This means that:

- the **income rate** will apply to the recalculated **income base** and the income from your **Secure retirement income account** will be altered to reflect this;
- the income for the **joint life** will be altered in the same way as the income you are receiving;
- the **Guaranteed minimum death benefit** will be recalculated;
- the income escalator detailed in Condition 7.3.1 will be recalculated based on the new **initial income base** and **income base**, and will escalate in the future based on their new values.

**7.5.2** Each cashing in of **units** from your **Secure retirement income account** will reduce the **initial income base** and the **income base** in proportion to the decrease in the fund value caused by that withdrawal.

#### **7.5.3 Initial income base**

After each cashing in of **units**, the **initial income base** will, therefore, be equal to the result of the following formula:

$A \times B/C$  where

A is the **initial income base** immediately before the **units** are cashed in;

B is the value of the **units** remaining in your **Secure retirement income account** immediately after the **units** are cashed in, and

C is the value of the **units** in your **Secure retirement income account** immediately before the **units** are cashed in.

#### **7.5.4 Income base**

After each cashing in of **units**, the **income base** will, therefore, be equal to the result of the following formula:

$A \times B/C$  where

A is the **income base** immediately before the **units** are cashed in,

B is the value of the **units** remaining in your **Secure retirement income account** immediately after the **units** are cashed in, and

C is the value of the **units** in your **Secure retirement income account** immediately before the **units** are cashed in.

### **7.6 Charges**

#### **7.6.1 Aegon product charge**

**7.6.1.1** The **Aegon product charge** is based on the total value of your **Secure retirement income account**. The **Aegon product charge** is calculated as a percentage of this total value. The percentage to be applied as the **Aegon product charge** is detailed in your Confirmation of Secure retirement income that is sent to you when we accepted your application for **Secure retirement income**.

**7.6.1.2** The **Aegon product charge** is taken from your **Secure retirement income account** and not from the **cash facility** of your **SIPP**. It is in addition to any other charges that are deducted from

your **SIPP**. However, the Aegon charges that are detailed in the **Terms and conditions** are not deducted from your **Secure retirement income account**.

7.6.1.3 The **Aegon product charge** is calculated monthly on an annualised basis and will be deducted monthly in arrears from your **Secure retirement income account** by cashing in units of your **ARC insured fund** that makes up your **Secure retirement income account**. This means that each month it will be calculated as though it was going to apply from one year from that month but only be deducted in relation to that month. It will be calculated and deducted in this way each month.

7.6.1.4 The valuation date of your **Secure retirement income account** on which the **Aegon product charge** is based is the last **business day** of the month. The **Aegon product charge** will then be deducted from your **Secure retirement income account** on or around the first **business day** of the next month. Any valuation is based on the latest valuation we hold for the particular **ARC insured fund** that it relates to.

7.6.1.5 In the first month of your **Secure retirement income account**, the **Aegon product charge** will be deducted proportionately for that month. This means that it will only be deducted for the days that you have a **Secure retirement income account**.

## **7.6.2 Aegon guarantee charge**

7.6.2.1 A guarantee applies to your **Secure retirement income account**. The **Aegon guarantee charge** is based on the **income base** of your **Secure retirement income account**. The **Aegon guarantee charge** is calculated as

a percentage of the **income base**. The percentage to be applied as the **Aegon guarantee charge** is detailed in your Confirmation of Secure retirement income that is sent to you when we accepted your application for **Secure retirement income**. However, if, when taking income at a later date, you select the **joint life** option, the **Aegon guarantee charge** will be altered to reflect the cost of providing the **joint life** option.

7.6.2.2 The **Aegon guarantee charge** that applies from the time you take income will remain in place even if the **joint life** option is taken and you later revoke this or the person nominated as the **joint life** predeceases you. The **Aegon guarantee charge** will not reduce in these circumstances.

7.6.2.3 The **Aegon guarantee charge** is taken from your **Secure retirement income account** and not from the **cash facility** of your **SIPP**. It is in addition to any other charges that are deducted from your **SIPP**.

7.6.2.4 The **Aegon guarantee charge** is calculated monthly on an annualised basis and will be deducted monthly in arrears from your **Secure retirement income account** by cashing in units of your **ARC insured fund** that makes up your **Secure retirement income account**. This means that each month it will be calculated as though it was going to apply from one year from that month but only be deducted in relation to that month. It will be calculated and deducted in this way each month.

7.6.2.5 The valuation date of your **Secure retirement income account** on which the **Aegon guarantee charge** is based is the last **business day** of the month. The **Aegon guarantee charge** will then

be deducted from your **Secure retirement income account** on or around the first **business day** of the next month. Any valuation is based on the latest valuation we hold for the particular **ARC insured fund** that it relates to.

7.6.2.6 In the first month of your **Secure retirement income account**, the **Aegon guarantee charge** will be deducted in full and not proportionately. This means that it will be deducted for the whole of that first month even if you have your **Secure retirement income account** for less than the full month.

### 7.6.3 Altering the Aegon product charge and the Aegon guarantee charge

We may alter the **Aegon product charge** and **Aegon guarantee charge** in line with Condition 9.

## 8 On your death

When you die and **units** are, at that time, held in the **policy**, the **Terms and conditions** determine how the benefits will be paid from your **SIPP**. When we are advised of your death, **units** will remain within the **ARC insured funds** until we are instructed to cancel those **units**. The **Terms and conditions** will determine how any benefits on death will be paid. When we are instructed to cancel those **units**, they will be cancelled in line with 6.2 and paid to the **cash facility**.

If a **survivor's drawdown pension** is to be provided by the **Service**, we shall change your **policy** so that it shall be the **survivor's policy**. Where more than one of your **survivors** want a **drawdown pension** to be provided for them, the **units** to be applied for each **survivor** shall be applied to a **policy** that shall be the **survivor's policy**. We shall make the change at the time the **survivor's drawdown pension** is to start. We can make the change without the agreement of the **survivor**, or any other person.

For the **survivor's policy**, the **rules** and the rights and obligations you and we have under your **policy**, in so far as they remain relevant, shall apply to that **survivor**.

## 9 Charges

### 9.1 Fund management charge

9.1.1 We will take a **fund management charge** from each of the **ARC insured funds**. We will take it daily at a rate of one 365th of a percentage of the value of each **ARC insured fund** on that day.

9.1.2 You can ask us for details of the percentage that applies to any particular **ARC insured fund**.

### 9.2 Annual charge

There is an annual charge for your **SIPP**, which is calculated in line with your **Terms and conditions**. Part of this annual charge relates to, and is chargeable under this **policy**. Any portion of the annual charge that relates to **ARC insured funds** that are held through this policy is a charge that arises under this **policy**. This annual charge is deducted from your **cash facility** and paid to Scottish Equitable plc as the provider of this **policy**.

### 9.3 Changing charges

9.3.1 Your **policy** is regarded as long-term business. During its lifetime, we may need to change our charges set out in 9.1 and 9.2.

A change to our charges means:

- levying new types of charges;
- setting minimum charge amounts;
- removing charges; or
- varying the level of an existing charge.

9.3.2 Where we feel it is necessary to change our charges we will only do so for one or more of the following valid reasons:

- i. to reflect changes in market conditions and general

industry practice relevant to **the Service** and your **policy**, which result in an increase to our costs;

- ii. to take account of changes to the law, codes of practice or the way in which we are regulated or, changes to the way in which we or you, are taxed;
- iii. to reflect any changes to the way in which we provide our services, including changes in the technology we use to provide our services, **product wrappers** and **your policy**;
- iv. to reflect increases in the cost of providing our services to you, for example, staffing or technology costs;
- v. to take account of a decision by a court, ombudsman, regulator or similar body, and
- vi. to allow for a charge to increase each year in line with the consumer price index or any replacement of this index. (The consumer price index is an official method of calculating inflation in the UK. It is a measure of the cost of living and reflects changes in the general price level.)

**9.3.3** Where we levy a new type of charge or where we vary the level of an existing charge, we will set the amount at a level we believe is not excessive, and we will exercise this right and provide you with notice of the change as set out in Condition 12, including details of the change and date on which it will become effective.

**9.3.4** If you are unhappy with a change to our charges you have the options set out in Condition 12 below, including the right to terminate your use of **the Service**, close your **product wrappers** and **your policy** without additional charge.

## **9.4 General**

**9.4.1** Unless we tell you something different in this booklet, we will take the charges detailed in this Condition 9 from the **cash facility**, by cancellation of such **units**, at **unit price**, as is necessary to meet the charges, or by including the charges when calculating the price of **units**. The cancellation will be made proportionately across the applicable **ARC insured funds** for which there are **units**.

## **10 Liabilities and expenses of the ARC insured funds**

**10.1** From time to time and where appropriate we will pay the following **liabilities and expenses** from each of the **ARC insured funds**:

- 10.1.1** the expenses, taxes, duties and other charges incurred in buying, valuing and selling the assets of the **ARC insured funds**;
- 10.1.2** the expenses and fees of third parties engaged in the assessment of the asset allocation and/or management of the assets of the **ARC insured funds**;
- 10.1.3** tax payable on, or by reference to, the assets and income of the **ARC insured funds** or transactions relating to them whether incurred or assessed in the UK or elsewhere;
- 10.1.4** any payment or other liability in respect of money borrowed or raised for the account of the **ARC insured funds**; and
- 10.1.5** any expenses, taxes, duties, levies or other charges incurred in connection with the **ARC insured funds** and not previously taken into account.

## 11 Deferring the cancellation of a unit

**11.1** When we are instructed to cancel **units** in an **ARC insured fund**, we may have to sell underlying assets of an **ARC insured fund**.

**11.2** Where this happens, we may have to defer the cancellation of **units** as follows:

**11.2.1** Where you hold a **SIPP** on or before 30 June 2020 the following deferral periods will apply:

- a Where the **units** are **units** in an **ARC insured fund** that is invested in whole or part in real/heritable property, for example land, buildings and leaseholds, we may defer the cancellation of **units** for up to 12 months.
- b Where the **units** are **units** in any other **ARC insured fund**, we may defer the cancellation of **units** for up to one month.

**11.2.2** Where you open a **SIPP** on or after 1 July 2020 then we may defer the cancellation of **units** in any **ARC insured fund** for up to 12 months.

**11.3** We can defer the cancellation of **units** where:

**11.3.1** there is not enough cash held in the **ARC insured fund** to pay for your cash-in or payment

**11.3.2** we reasonably consider that there is likely to be not enough cash held in the **ARC insured fund** to pay for expected future cash-ins or payments by you and other holders of **units** in that **ARC insured fund**. We will base our consideration of this on current and expected trends for cash-ins or payments from that **ARC insured fund**

**11.3.3** the effect of an immediate sale of assets of the **ARC insured fund** needed to pay for cash-ins or payments may, in our reasonable opinion, result in us getting lower

prices for the sale of those assets than if a sale of those assets had taken place within a normal timescale for the sale of such assets

**11.3.4** for reasons that we cannot control, we cannot carry out a sale of assets of the **ARC insured fund** required to pay for the cash-ins or payments

**11.3.5** other holders of **units** of the **ARC insured funds** may be treated unfairly unless the deferral takes place

**11.3.6** the volume of cash-ins or payments requested by holders of **units** in an **ARC insured fund** is such that we cannot process the requests on the normal basis set out in this booklet

**11.4** When we do the cancellation of **units**, where it has been deferred, the **unit price** of the **units** will be the **unit price** at the first valuation of the **ARC insured fund** after the end of the deferred period.

## 12 Changes to your policy

**12.1** In addition to our right to change our charges under Condition 9.3, we can amend any other element of these terms and conditions from time to time where we consider it necessary to make the change for the following valid reasons:

- a where we consider it will make these terms and conditions easier to understand or fairer to you;
- b to correct any errors, omissions or inaccuracies in these terms and conditions;
- c to allow us to provide an improved, more efficient or lower-cost service to you;
- d to provide additional services, facilities or options to you;
- e where we need to make changes for the ongoing provision of the services we provide to you but which may operate your disadvantage;

- f to vary the minimum contribution or payment amounts, vary the maximum or minimum **policy** value, or vary the withdrawal amounts from your **policy**, or
- g where:
  - i we are required to respond to any changes to legislation or regulations, or
  - ii to take account of codes of practice; consumer standards; or any decisions made by a court, ombudsman, regulator or similar body.

**12.2** Where we are going to amend these terms and conditions for any of the reasons listed in Condition 12.1 (a) to (g) or change our charges under Condition 9.3, we will exercise those powers of amendment in a reasonable and proportionate manner, and will only do so where we provide prior written notice to you. We will provide at least one month's prior written notice of any such amendment unless in doing so would result in us being unable to comply with legal or regulatory changes, in which case we will provide you with as much notice as possible.

**12.3** If you are unhappy with the proposed changes to these terms and conditions, or proposed changes to our charges, you should notify us of this. You have the right to terminate your use of the Service and request that we close all **product wrappers**, including your **policy** and pay the proceeds to your **nominated bank account** or transfer investments, or the proceeds of their sale to another provider, where applicable.

**12.4** Where you request that we terminate your **SIPP** and that we close it in accordance with Condition 12.3, this will be carried out at no additional cost to you. However, we will deduct all outstanding charges accrued to the date we notified you of the changes to these terms and conditions. Where you hold a **SIPP** we are unable to pay the proceeds to you – the proceeds must be paid to another registered pension scheme or **QROPS**.

**12.5** These **policy** conditions will be superseded by any more recent versions issued, which will incorporate any changes made under this condition.

## **12.6 HMRC registration**

12.6.1 You have taken out your **policy**, as part of your **SIPP**, to obtain tax reliefs given to pension arrangements registered by **HMRC**.

12.6.2 We may use our power, in 12.1, to change the terms of your **policy** to obtain and keep **HMRC** registration. We may make the change without your agreement or the agreement of any person having rights to benefits under your **policy**.

12.6.3 One of the beneficial effects of **HMRC** registration is that we may refer the funds under your **policy** to 'pension business' (this is defined in section 431B of the Income and Corporation Taxes Act 1988 and, briefly, means that the funds can be invested free from all or some taxes).

If **HMRC** registration is removed, we will give you as much notice as reasonably practicable and use our power, in 12.1, to change your **policy** to take account of the switch out of pension business. Alternatively, **HMRC** rules may allow you to transfer your benefits to another scheme that meets **HMRC** registration requirements.

## **13 Written communications**

**13.1** Unless otherwise directed in this **policy**, please use the following contact details:

Platform Client Services  
Aegon Digital Solutions  
Sunderland  
SR43 4DL

03456 80 12 34

**[www.aegon.co.uk](http://www.aegon.co.uk)**

## 13.2 Notices

**13.2.1** If you or your **adviser** make a request, instruction or notification under your **policy**, you must do this in writing. We will only accept or act upon it when we receive it at ARC Client Services. You must also send us any documents and information that we need to carry out your request or instruction. All written instructions must be in English and must be clear and easy to understand. No one else is authorised to accept any requests, instructions or notifications on our behalf.

**13.2.2** When we write to you or any other person on your behalf, we will treat our letter as having been received by you, or that other person, three **business days** after posting our letter to:

- a your last known address (or the other person's last known address), or
- b the last known address of your agent (or the other person's agent).

## 13.3 Electronic messages

**The Service** is conducted mainly in an online environment. Any electronic message that is given through **the Service** in this online environment will be treated as a written communication in line with 13. We will tell you within this **policy** where actions under this **policy** are not conducted in an online environment. Other parts of **the Service**, for example statements, **Confirmation of investment – contract notes**, some items that we must send to you or you must send to us, and some correspondence may be conducted outside of the online environment.

**13.3.1** We will treat an electronic message as a written communication received at our ARC Client Services if:

- a we have told you in writing that we will accept an electronic message for a specific

purpose and your electronic message is for that specific purpose;

- b we have told you what type of electronic message we will accept for that specific purpose from time to time, and
- c we have told you where to send that message.

**13.3.2** We will treat the message as being received when we receive it at that electronic address. This will be when it enters our system provided that no error message indicating failure to deliver has been received.

**13.3.3** We do not guarantee:

- a that any electronic messages sent to or by us will be secure;
- b that any electronic messages sent to or by us will be free from interception and/or change, and
- c the routing of any electronic message or the time of delivery or receipt.

We are not liable for any viruses received by you through electronic messaging.

**13.3.4** Where an electronic message is sent by you or your agent, you are liable for any damage or loss caused either directly or indirectly by the use of the electronic message or in relation to that use.

**13.3.5** We can act on an electronic message that we reasonably believe comes from you or your agent. We do not need to verify the sender of the message or their authority to send it.

**13.3.6** It is your responsibility to make sure that any electronic message you or your agent sends us is actually received by us. We have no liability for messages sent to an incorrect electronic address.

**13.3.7** An electronic message that does not comply with 13.3 is not a valid communication for your **policy**.

## **13.4 Fax**

**13.4.1** We will treat a fax as a written communication received at ARC Client Services if:

- a we have told you in writing that we will accept a fax for a specific purpose and your fax is for that specific purpose; and
- b we have told you the fax number to send that fax to.

**13.4.2** We will treat the fax as being received when we receive it at that fax number.

**13.4.3** We can act on a fax that we reasonably believe comes from you or your agent. We do not need to verify the sender of the fax or their authority to send it.

**13.4.4** It is your responsibility to make sure that any fax you or your agent sends us is actually received by us. We have no liability for faxes sent to an incorrect fax number.

**13.4.5** A fax that does not comply with 13.4 is not a valid communication for your **policy**.

## **14 Law and jurisdiction**

**14.1** The law that applies to **your policy** and the **Terms and conditions** will depend on where **you** are habitually resident at the time **your policy** starts. If **you** are habitually resident in:

- a England and Wales, **we** will treat **your policy** as having been taken out in England and Wales and the laws of England and Wales will apply.
- b Scotland, **we** will treat **your policy** as having been taken out in Scotland and the laws of Scotland will apply.
- c Northern Ireland, **we** will treat **your policy** as having been taken out in Northern Ireland and the laws of Northern Ireland will apply.

For the purposes of this clause, **we** will treat **you** as being habitually resident at the address on **your** application for a **policy** or the address that **your employer** advises **us** is **your** address when the **policy** is set up.

**14.2** If you are habitually resident elsewhere, we will treat **your policy** and the **Terms and conditions** as having been effected in Scotland, and the laws of Scotland will apply.

## **15 Evidence of age, existence and other information**

**15.1** We will only provide benefits under your **policy** if we get proper evidence and the information we need. This includes evidence of your age (for example a birth certificate), your continued existence (for example a letter from your doctor or solicitor) or your death (for example a death certificate).

**15.2** We will ask for this in good faith and in a reasonable manner. We will always consider the reason why we need the information or evidence we ask for. We will not ask for evidence or information that is excessive or unreasonably difficult to give us.

**15.3** We will continue to have the right to ask you (or a **survivor**) for evidence that you (or they) are still alive. If we do not receive the required evidence within two months of asking you (or them) for it, we have the right to stop paying any benefits from your **policy** until we receive the required evidence.

## **16 Miscellaneous**

### **16.1 Rights of third parties**

You and a **survivor** (but only when that **survivor** is receiving a **drawdown pension**) and we are the only parties that have a right to enforce any term of this pension contract.

### **16.2 Transferring ownership of your policy**

Your **policy** may not be assigned unless we agree.

### 16.3 Agreement of Scottish Equitable

Where you need our agreement to do certain things under your **policy**, if we agree, we will tell you in writing in terms of 13.2.

### 16.4 Information powers

**16.4.1** HMRC has powers under the Finance Act 2004 to require information to be given to **HMRC** concerning some or all aspects or parts of the **scheme** (for example matters relating to tax).

**16.4.2** In the event that **HMRC** exercises its powers referred to in 16.4.1, you shall make all reasonable endeavours to enable the required information to be given in good time and in a manner acceptable to **HMRC**.

**16.4.3** To the extent that any fine or charge is imposed on us by **HMRC** as the result of non-compliance with the said powers and results from a breach of your obligations set out in 16.4.2, we will recover from your **policy** an amount equal to the fine or charge by cancellation at **unit price** of such **units** as is necessary to pay for the fine or charge. The cancellation will be made proportionately across the applicable **ARC insured funds** for which you hold **units** under your **policy**.

### 16.5 Policy payments

Any payment made from your **policy** will be paid in UK sterling only. All payments will be made to the **cash facility**.

## 17 Termination

No further benefit under your **policy** will be payable after the payment under the **Terms and conditions** of an **uncrystallised funds lump sum death benefit** of your whole **SIPP**, a **drawdown pension fund lump sum death benefit** or on your **SIPP** being fully cashed-in or transferred under your **SIPP Terms and conditions**.

Executed on behalf of Scottish Equitable plc at Edinburgh on the 'Date of schedule' shown in the original **Confirmation of application**.

## **Part 3:**

# **Basic scheme information for the SIPP**

This part gives you the basic information you need to know about the Aegon Self Invested Personal Pension Scheme governing your Self Invested Personal Pension (SIPP).

## Important information

All your benefits will be held under the Aegon Self Invested Personal Pension Scheme.

For the purposes of this leaflet, any reference to 'the Scheme' means the scheme set out above.

## Address for enquiries

If you would like any more information about the Scheme, for example details of your rights and benefits under your plan, or want to request a copy of the deeds governing the Scheme and a copy of the rules governing administration of the Scheme, please contact:

The Scheme Administrator

The Aegon Self Invested Personal Pension Scheme

Aegon Digital Solutions  
Sunderland  
SR43 4DL

If you have any questions or need advice on contribution levels, surrenders, cancellations, transfers or investment decisions, please get in touch with your financial adviser. If you do not have a financial adviser, you can contact IFA Promotions to find one in your local area:

<https://maps.org.uk/moneyhelper/>

Our client literature, Terms and conditions, and policy conditions booklet explain further some of the terms used in this leaflet.

## The Scheme

The Scheme is a personal pension scheme and is registered for tax purposes under Chapter 2 of Part 4 of the Finance Act 2004. The Scheme provides both pension benefits and death benefits.

### Conditions of membership – contributions

The following conditions apply if you would like to join the Scheme and contribute to your plan.

#### 1. Permitted contributions

The Scheme may accept personal contributions paid by you (or by another person on your behalf). Under current tax legislation, a contribution will be eligible for tax relief provided it is paid when you are under age 75, and you are a **relevant UK individual** for the tax year in which it is paid. It must also be within the maximum

limit for personal contributions as set out in 2a.

You are a **relevant UK individual** for the tax year if at least one of the following applies:

- you have **relevant UK earnings** chargeable to income tax for that year;
- you are resident in the UK at some time during that year;
- you were resident in the UK both at some time during the five years immediately before that year and when you became a member of the Scheme, and
- you (or your spouse or registered civil partner) have, for the tax year, general earnings from overseas Crown employment subject to UK tax (such earnings are as defined in section 28 of the Income Tax (Earnings and Pensions) Act 2003).

**Relevant UK earnings** covers employment income, schedule D income from carrying on a trade, profession or vocation, and patent income under section 833(5B) of the Taxes Act 1988.

Whether or not you are a **relevant UK individual**, the Scheme may also be able to accept contributions from your employer to your plan, and may, at its discretion, accept contributions from you (or from another person on your behalf) even if not eligible for tax relief.

The above is subject to the following: no contributions can be made to any part of your plan from which benefits have become payable unless the Scheme Administrator agrees otherwise. This includes any part of your plan representing **drawdown pension** funds (see below).

#### 2. Contribution limits and annual allowance

##### a Personal contributions

If you are a **relevant UK individual**, you will be eligible for tax relief on any personal contributions up to the greater of 100%

of your relevant UK earnings (but see b below) and £3,600 each tax year (this limit applies across all registered pension arrangements that you make contributions to in any tax year).

#### **b Personal and employer contributions**

If your total **pension input amount** (being an amount as defined in Sections 229 to 237 of the Finance Act 2004) in respect of all your registered pension arrangements for any tax year is more than that year's **annual allowance** plus any amount of unused **annual allowance** you can carry forward, you will be subject to a tax charge at the 'appropriate rate'.

The **annual allowance** for each of the tax years 2019/2020, 2020/2021 and 2021/2022 is £40,000. You can carry forward unused allowance from the three previous tax years.

#### **c Tapered annual allowance**

If you have an income of £150,000 a year or more (including the value of pension contributions), subject to an income floor of £110,000 (excluding the value of pension contributions) you will have a reduced annual allowance. If you are affected the annual allowance will be gradually reduced so that if you have an adjusted income of £210,000 or more you will be entitled to an annual allowance of £10,000. You can still carry forward unused annual allowance from the previous three tax years, but this will be restricted to the tapered level in relation to any year in which the taper applies.

#### **Money purchase annual allowance**

The money purchase annual allowance is triggered in certain circumstances when you have received benefits from pension savings, for example where you have taken income from a flexi-access drawdown pension or taken an uncrystallised funds pension lump sum (UFPLS). It is the amount that can be paid in one year to your money purchase arrangements without a tax charge applying. The money purchase annual allowance for each of the tax years 2019/2020, 2020/2021 and 2021/2022 is £4,000.

If the money purchase annual allowance provisions apply to you, and during the year more than £4,000 has been paid to your money purchase arrangements under all of your registered pension schemes, a tax charge:

- will apply on the money purchase contributions above £4,000, and
- may apply on the value of any savings made to defined benefit arrangements that are higher than £36,000 plus any carry forward you have available.

Special rules apply in the year that the money purchase annual allowance rules first apply, and different rules apply to final salary pensions. Please speak to your financial adviser for more information.

The current 'appropriate rate' is:

- for any part of the excess which, when added to the individual's reduced net income, is within the basic rate limit for the tax year, 20%;
- for any part of the excess which, when added to the individual's reduced net income, is more than the basic rate limit for the tax year, 40%;
- for any part of the excess which, when added to the individual's reduced net income, is more than the higher rate limit for the tax year, 45%.

If you are a Scottish tax payer the 'appropriate rate' will differ from those rates listed above.

**Pension input amounts** are calculated in different ways depending on the type of scheme or arrangement. In relation to the Scheme, your **pension input amounts** for any tax year will normally be the total contributions paid by you, by another person on your behalf, and your employer, if applicable, to the Scheme in the tax year. From 6 April 2016 your pension input period runs from 6 April to 5 April of the following year. If you think you may be affected by the **annual allowance** charge and want further details about **pension input amounts**, please consult your financial adviser.

The **annual allowance** limit does not apply to a tax year if you take your benefits in accordance with the serious ill-health condition in that year, nor would it apply for a tax year if you died in that year.

### 3. Contributions and tax relief

Your personal contributions will be paid net of basic rate tax. We will reclaim this, where appropriate, from HM Revenue & Customs. You can claim any higher rate tax relief due to you through your tax return. If you are a Scottish tax payer we will reclaim tax relief using the Scottish basic rate of income tax. You can claim any higher rate tax relief due to you through your self-assessment tax return.

### 4. Contributions frequency

You or your employer can make single contributions to your plan by cheque or by such other method as Aegon agrees with you.

Contributions paid by you, or on your behalf, will be applied to your plan, as directed by you. The value of the insured policy or policies and any self-invested assets held under your plan, after taking into account any charges and deductions, is available to provide benefits under the Scheme.

### Investment options

Contributions relating to the insured part of your arrangement may be invested in a wide range of insured funds. These funds cover a variety of different investments, offering varying degrees of security. You should discuss the fund features and selection with your financial adviser.

For contributions paid into the self-invested part of your arrangement, you can invest in a number of different types of investment vehicles. Our client literature gives full details of acceptable investment options and they are also available on our website. Investments will be registered in the name of a nominee company. We may have certain requirements of nominees in order to deliver timely administration services. For further details please speak to your financial adviser.

Aegon reserves the right to decline any investment if it is not clear whether or not the intended investment is allowed by the Scheme.

The investment options above apply equally to transfer payments to your plan.

### Benefits

#### 1. Benefits and tax relief

Unless you are relying on enhanced protection, as defined in schedule 36 of the Finance Act 2004, there is a limit on the total amount of tax-privileged pension savings you are allowed in registered pension schemes.

This limit is called the **standard lifetime allowance**. For the tax year 2013/2014, it is £1.5 million unless you have fixed protection 2012 – in which case it is £1.8 million. For the tax year 2014/2015 onwards the **standard lifetime allowance** is:

- £1.8 million if you have Fixed Protection 2012;
- £1.5 million if you have Fixed Protection 2014;
- A protected amount which will be greater than £1.25 million but no more than £1.5 million if you have individual protection 2014;
- £1.25 million if you have fixed protection 2016;
- A protected amount which will be greater than £1 million but no more than £1.25 million if you have individual protection 2016;
- £1 million in any other case;
- From the tax year 2018/2019 the standard lifetime allowance will increase annually by the Consumer Prices Index (CPI), and
- For tax year 2020/2021 until 5 April 2026 the lifetime allowance will remain fixed at £1,073,100.

The limit applies to benefits built up both before and after 6 April 2006. In certain circumstances, you may be entitled to a higher personal **lifetime allowance**.

With certain exceptions, your benefits will normally be tested against your **lifetime allowance** when they come into payment, whether as an annuity, lump sum, or **drawdown pension**, on reaching age 75 or on death (see 2 and 3 below). A tax charge of 25% will be applied to any excess above this limit that is to be paid as pension. This increases to 55% if you take the excess as a lump sum. Legislation sets out the rules which determine the amount or value of your benefits to be tested and these ensure benefits are not tested more than once.

When you take your benefits, you will have to tell us the percentage of the **standard lifetime allowance** that you have used previously under any other pension arrangements.

## 2. Taking benefits

The minimum age for taking benefits is 55.

An exception to this is if you are in ill-health. If this applies, then subject to the appropriate medical evidence, you may be able to take your benefits earlier.

Another exception is if a transfer payment is made to the Scheme representing rights held for you in another registered pension scheme in respect of which you had a 'protected pension age'. In that case, you may be able to take benefits before age 55 under the Scheme if certain conditions are met.

It may be possible for you to take benefits from your funds on a staggered basis, instead of taking them all at the same time. For further information about this, please consult the rules of the Scheme or speak to your financial adviser.

The information below is based on taking benefits from all your funds at the same time.

### a Taking benefits from minimum age

If you take your benefits from the minimum age then, subject to any lump sum which you take and unless you opt to buy an annuity the built-up funds will

be used to provide you with a **drawdown pension**. Your funds can then remain invested while you draw an income from them each year (if you want to). If you first crystallised your fund before 6 April 2015, you will have capped drawdown or flexible drawdown, if you first crystallised your fund on or after 6 April 2015, you will have flexi-access drawdown. In addition, you can ask for your capped drawdown to be altered to flexi-access drawdown at any time.

If you have capped drawdown, a maximum limit applies to the amount of **capped drawdown pension** that may be taken by you in any pension year (there is currently no minimum limit): broadly, this is based on the level of annuity you could have if the relevant funds had instead been used to secure for you an annuity for life. The maximum limit will be reviewed on certain events occurring and at least every three years. Please see the rules of the Scheme for details.

If you have a flexi-access drawdown pension, there is no maximum limit on the amount that may be taken by you in any pension year from this pension. Any amount that you take is taxed at your marginal rate. As soon as you take any income from your flexi-access drawdown pension, and if not already triggered (for example by taking income from a flexi-access drawdown pension elsewhere or taking an uncrystallised funds pension lump sum), you will trigger the money purchase annual allowance.

Any flexible drawdown pension that you have prior to 6 April 2015 is automatically converted by legislation to a flexi-access drawdown pension on 6 April 2015.

If you opt to buy an annuity instead, then this can be just for you, or you can choose to have an annuity for your surviving spouse, registered civil partner or other **dependant(s)** as well, payable on your death. Annuities may increase each year by, or vary in line with, reference to prescribed factors or indices. They may be paid for a set minimum period of up to 10 years (irrespective of when you die).

Whether you opt for an annuity or **drawdown pension**, you can normally choose at that time to take a tax-free lump sum of up to 25% of your funds. The amount may be restricted because there is a maximum limit for the amount of tax-free cash anyone can take from all their registered pension schemes: this limit is 25% of your **lifetime allowance**, up to the **standard lifetime allowance**. In some circumstances, you may be entitled to take more than the above limit as a tax-free cash lump sum, or where your benefits exceed your **lifetime allowance**, you may be able to take the excess as a lump sum instead of as a pension.

If you opt for **drawdown pension**, you can choose at any later date to use the underlying funds to buy an annuity for you (see above). No further tax-free cash can be taken by you from these funds at that time.

When an annuity is bought with your **drawdown pension** funds, a further test against your **lifetime allowance** will be made, but with a reduction to avoid double counting of the amount of funds tested previously when you opted for **drawdown pension**.

From age 55, or earlier if you have a low protected pension age or if you meet the ill-health requirements of the scheme, you can take an UFPLS if you meet the relevant legislative requirements. An UFPLS is a lump sum paid to you from part or all of your uncrystallised pension, with 25% of the amount normally being tax-free and the remainder taxed at your marginal rate.

If you are age 55 or over, or if you have a low protected pension age, from that age you may be able to take your funds as a lump sum if they are small enough to qualify as being 'trivial'. Please see the rules of the Scheme for details.

### **Taking benefits before the minimum age**

You can take benefits, as described above, early due to ill-health.

You may be able to take all benefits early in lump sum form if you are

suffering from serious ill-health (in other words, your life expectancy is less than one year). There is no minimum age. This option is not available in respect of **drawdown pension** funds.

### **Taking benefits from age 75**

Depending on the terms of your plan, you can choose at any time to use the underlying funds to buy an annuity for you.

#### **b No instructions by age 75**

If we have not received instructions from you by your 75th birthday as to how you would like your funds applied, these will remain uncrystallised until such time as you take a **drawdown pension** or buy an annuity or take an uncrystallised funds pension lump sum.

### **3. What is paid if you die before taking benefits**

The pension fund you build up will usually be paid as a lump sum to:

- the trustees of a trust, if you have set one up for this plan; or
- if a trust does not apply, your beneficiaries nominated by you, chosen at the Scheme Administrator's discretion, as set out in the rules of the Scheme.

Where you have not set up a trust, then you should notify the Scheme Administrator for guidance of your choice of beneficiaries for the lump sum death benefits (or that part of them not covered by the trust).

If you die before age 75, uncrystallised lump sum death benefits will be tested against the **lifetime allowance**, and the recipients will have to pay a tax charge of 55% on any excess.

If you die on or after your 75th birthday the full amount will normally be taxed at the recipient beneficiary's marginal rate (where the beneficiary is an individual and is not receiving the funds as a trustee, personal representative, company director or partner of a firm), and otherwise at 45%.

#### 4. What is paid if you die while taking drawdown pension

If you opt to take **drawdown pension** you can choose (or the scheme administrator can choose if you do not) that on your death, your remaining **drawdown pension** funds will be applied for the benefit of one or more **survivors**. On your death any **survivor** selected may be able to choose whether to have the funds paid as a lump sum, used to buy an annuity for them, or used to pay them **drawdown pension** or they may only be entitled to a lump sum death benefit. What a survivor is entitled to will depend on their circumstances. If you (or the scheme administrator) do not make such a choice, then your remaining funds will be used to pay a lump sum.

Further provisions govern what happens if a **survivor** dies while taking **drawdown pension**. Please see the Scheme rules or your financial adviser for details.

#### 5. Transfers

On your written request, the Scheme Administrator may (subject to certain conditions being met):

- accept a cash transfer to your plan from another registered pension scheme or recognised overseas pension scheme, or
- transfer your benefits to any other registered pension scheme or a **QROPS**.

Transfers to or from your plan will not be tested against your **annual** or **lifetime allowance** at the time that the transfer is made, unless the transfer is to a qualifying recognised overseas pension scheme.

Different conditions may apply where funds representing pension credit rights from a pension sharing order or provision are being transferred.

For further information on transfers, you should consult the rules of the Scheme.

#### The Financial Ombudsman Service

You have the right to refer a complaint to the Financial Ombudsman Service. You can see how they can help on their website

**[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)**.

You must contact them within 6 months from the date you've received our final response in relation to a complaint, and their contact details are:

Financial Ombudsman Service  
Exchange Tower  
London E14 9SR  
0800 023 4 567  
(free from a landline or mobile)  
0300 123 9 123 (calls to this number cost no more than calls to 01 and 02 numbers)  
**[complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)**

#### The Pensions Ombudsman

The Pensions Ombudsman may investigate and determine any complaint, or dispute of fact or law, in relation to any pension scheme made or referred to them. You must contact the Pensions Ombudsman within three years of the event you are complaining about happening or within three years from when you first knew about it (or should have known about it). You can contact the Pensions Ombudsman at:

10 South Colonnade  
Canary Wharf  
London E14 4PU

Telephone: 0800 917 4487

Email: **[enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)**

Website: **[www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)**

You can also submit a complaint form online:

**[www.pensions-ombudsman.org.uk/our-service/make-a-complaint/](http://www.pensions-ombudsman.org.uk/our-service/make-a-complaint/)**

## **Money Helper (formerly The Pensions Advisory Service)**

Money Helper is available to help members and beneficiaries of schemes with difficulties which they cannot resolve with the Scheme Administrator or administrator. You can contact Money Helper at:

Money Helper  
120 Holborn  
London EC1N 2TD

By telephone: 0800 011 3797

Using their online enquiry form at  
**<https://maps.org.uk/moneyhelper/>**

### **Value-added tax (VAT)**

VAT applies to the buying of a number of goods and services. This includes where those goods and services are bought in connection with your personal pension arrangements. Where this applies, your arrangements must pay the extra cost of that VAT.

At present, money paid to a financial adviser for their services in connection with insurance policies is not normally subject to VAT. However, any other payments paid from your arrangements to your financial adviser may be subject to VAT.

## **Miscellaneous**

### **Divorce**

If you are divorced, a court order may apply to your plan and this may affect your rights and/or benefits held or payable under your plan. Please tell us of any such order and of any changes made to it.

### **Bankruptcy**

If you become bankrupt, please tell us immediately, as this may affect benefits in payment.

Terms highlighted in **bold** are either defined in the Scheme Rules or described more fully elsewhere in this part.

The provisions of the Financial Services and Markets Act 2000 apply to the plan.

This information is based on Aegon's understanding of current taxation law and HM Revenue & Customs practice, which may change. The value of tax relief depends on the financial circumstances of the investor. Benefits are not guaranteed.

Aegon is a brand name of Scottish Equitable plc (No. SC144517) and Aegon Investment Solutions Ltd (No. SC394519) registered in Scotland, registered office: Edinburgh Park, Edinburgh, EH12 9SE. Both are Aegon companies. Scottish Equitable plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Aegon Investment Solutions Ltd is authorised and regulated by the Financial Conduct Authority. Their Financial Services Register numbers are 165548 and 543123 respectively.