

For employees

Key features of the TargetPlan Group Personal Pension

If your personal circumstances mean you need any additional support, or if you'd like a large print, Braille or audio version of this document, please visit aegon.co.uk/additionalsupport or call 0345 601 7721 (call charges will vary).

The Financial Conduct Authority (FCA) is a financial services regulator. It requires us, Aegon, to give you this important information to help you to decide whether our Group Personal Pension is right for you. You should read this document carefully so that you understand what you're buying, and then keep it safe for future reference.

Scottish Equitable plc is regulated by the FCA in carrying out insurance business and is part of Aegon UK. We do not offer personal recommendations.

Contents

- 4** Its aims
- 4** Your commitment
- 5** Risks
- 6** Questions and answers
- 21** Other important information

Is the TargetPlan Group Personal Pension right for you?

This document is designed to help you to decide.

Important

Please read this Key Features document alongside:

- The Key Features Illustration (which if not included with your welcome pack will be sent shortly)
- The Investment options leaflet
- The enclosed Policy document

If there's anything that you don't understand, or if you're not sure whether a TargetPlan Group Personal Pension is suitable for you, you should get advice from an authorised financial adviser.

Unless you've been automatically enrolled or automatically re-enrolled you should be aware of the general availability of stakeholder pension schemes and the fact that these might meet your needs at least as well as the TargetPlan Group Personal Pension on offer.



Its aims

- To help you save for retirement in a tax-efficient way.
- To build up an account (or 'pension pot') to provide you with retirement benefits. Those benefits could be a lump sum or an income in retirement or a combination of both.
- To pay a lump sum and/or an income to your beneficiaries if you die before you take your retirement benefits.



Your commitment

- To pay any contributions you're required to make as and when they fall due, potentially until your selected retirement date. To be eligible for employer contributions, you may have to pay regular personal contributions into an account and, to meet with legislation, these contributions may increase over time.
- Not to take your benefits before the minimum age permitted by law. You cannot normally take your benefits before age 55 although it will rise to age 57 from 6 April 2028.
- To review your account regularly to ensure your investment(s) continue to meet your needs.
- To let us know if you flexibly access your benefits under another scheme. The administrator of the other scheme will send you a flexible access statement if you do this.



Risks

- The value of your account isn't guaranteed and could be less than shown in your illustration if:
 - The growth in your investment is less than illustrated.
 - The charges are more than illustrated.
 - You stop contributions.
 - Tax rules change.
- The value of an investment can fall as well as rise and isn't guaranteed. The value of your pension pot when you come to take benefits may be less than has been paid in.
- The buying power of your pension pot will fall if your chosen investment fund(s) fail to grow at a greater rate than inflation.
- Annuity rates used for the calculations to convert the value of your account into an income at retirement may change, so are not guaranteed.
- The benefits resulting from a transfer value paid into a Group Personal Pension may not match the benefits that you're giving up.
- If you use your right to cancel your account within the 30-day cooling-off period, you may not get back the full value of your contribution. You'll also not benefit from any rise in value.
- Any money that you invest is tied up until you take your retirement benefits.



Risks

- If you applied for enhanced protection or fixed protection 2016 on or after 15 March 2023, you may lose that protection if you transfer to a Group Personal Pension.

This information is based on our understanding of current taxation law and HM Revenue and Customs (HMRC) practice, which may change.



Questions and answers

How does the TargetPlan Group Personal Pension work?

- You (and where applicable your employer) pay contributions to us. Where applicable, we add basic rate tax relief to your contribution and invest the total on your behalf. You can read more about this below in the section **What about tax?**
- We send you a statement each year showing you the value of your account and an illustration of the pension that you might expect to receive.
- Just before you reach your chosen retirement age, we'll write to you and remind you of your options.

What are the minimum contributions?

- The minimum contribution is £20 or such other amount as we're required to accept under auto enrolment legislation.
- If you're required to make contributions under auto enrolment legislation, the minimum contribution you must make under that legislation may be increased over time.



Questions and answers

What sort of contributions can I make?

- You can invest a regular amount or make a one-off contribution.
- In addition to making contributions, you can transfer in benefits from another registered pension scheme or recognised overseas pension scheme - this may not be suitable for everyone.

How do I pay?

- If you're employed, contributions may (in some circumstances with your and your employer's agreement) be taken from your salary and paid to us by your employer.
- You can pay contributions to us by cheque or direct debit.

The information in the two sections below is based on our understanding of current legislation, taxation law and HMRC practice, which may change.

How much can I save and receive tax relief on?

- With a few exceptions, anyone can pay a net annual contribution of £2,880 which (when it includes tax relief) becomes a gross contribution of £3,600.
- Even if you don't pay tax, and provided you're under age 75, you'll normally get tax relief on contributions up to £2,880.
- If your UK earnings are more than £3,600 a year, you can get tax relief on contributions of up to 100% of your UK earnings, provided you're under age 75.



Questions and answers

- You're not able to make personal contributions to a TargetPlan Group Personal Plan once you're 75 or older.

If you're employed, your earnings will normally be your employment income (as shown in your P60) plus any taxable benefits you may receive, such as a company car (as shown in your P11D form).

Are there any limits on my pension savings?

- There's no limit on the yearly amount that can be saved by or for you (including any contributions your employer may make), but there's an annual allowance which limits the amount you can save into your pension each year before you have to pay tax. For more information please visit [gov.uk/tax-on-your-private-pension/annual-allowance](https://www.gov.uk/tax-on-your-private-pension/annual-allowance)

What can I invest in?

- We offer a wide range of investment funds, including a default investment option (default option). Your account may automatically be in the default option where there is one for your scheme, and you can find more information about this in your welcome pack. These funds cover most investment sectors in the UK and abroad.
- Depending on the nature of a fund, its assets may include (without limitation) company shares, government and corporate bonds, and cash.
- If you're joining your employer-sponsored Group Personal Pension, the range of funds may be less than our full range.



Questions and answers

- You can find details of your investment options, including the default option, in the Investment options leaflet.
- The funds may invest in underlying Life Funds or may invest in collective investment funds, some of which may be non-Life Funds.

How is the value of my account worked out?

- Each of the investment funds is split into units of equal value.
- The price of a unit goes up and down depending on the value of the assets held in the investment fund.
- We work out the price of a unit each day and each contribution that you pay us 'buys' units at the current price.
- The value of your account will vary. It'll depend on the number of units that have been allocated to it and the price of units in the fund at the time.
- Daily unit prices are published on our website and are also available by calling our helpline.

What are the charges?

- Each fund has a yearly management charge (annual management charge). These charges are expressed as an annual percentage but are calculated and deducted on a daily basis. If a fund invests in a collective investment scheme, it'll also include its share of the costs of other services, such as the fees paid to the trustee/depository, custodian, auditors and registrar. In addition, the fund may also include the cost



Questions and answers

of any expenses associated with tax reclaims on behalf of the fund. The term 'additional expenses' is used to refer to these costs which are in addition to the annual management charge.

- The annual management charge, and any additional expenses, for each fund can be found on TargetPlan (our member portal) or by calling us.
- If separate charges apply for pensions administration services, the amount and further details of such charges are shown in the Investment options leaflet or the schedule issued in connection with the Policy document.
- We may deduct administrative expenses that are incurred in the purchase or provision of an annuity.
- Should you become party to divorce proceedings, we may make a charge to cover the administrative expenses we incur in dealing with an order or potential order.

Can I change funds?

- Yes, you may switch both existing investments and the fund into which future contributions are invested. However, if you've been automatically enrolled or automatically re-enrolled or have opted in or joined under auto enrolment rules, then you'll not be able to do this until after the end of the opt-out period.
- If you've been automatically enrolled or automatically re-enrolled, or have opted in or joined under auto enrolment rules, any contributions received during the opt-out or cancellation period will be invested in the cash fund.



Questions and answers

Within two months of the end of the opt-out or cancellation period, these contributions will be automatically switched into the default option. Any contributions received after the end of the opt-out or cancellation period will be invested directly in the default option. You can find more information about the default option in the Investment options leaflet.

- At any time (or after the end of the opt-out period if you were auto enrolled or re-enrolled or have opted in or joined under auto enrolment rules), you may choose the fund (or funds) you want to invest in. However, if you don't want to choose, we'll invest your contributions using the default option.
- If you're invested in a LifePath fund, and change your target retirement age, we'll automatically switch your funds to the appropriate LifePath fund that matches your new chosen year of retirement.
- If you're invested in a Lifestyle option, and change your target retirement age, we'll automatically switch your funds to target your new chosen year of retirement.
- For advice as to whether a fund is suitable for you, please speak to a financial adviser.

What happens if I change jobs?

Your account isn't tied to your current job, so you may:

- Continue to pay personal contributions towards your TargetPlan Group Personal Pension.
- Stop contributing and leave the money in the account.



Questions and answers

- Transfer to a new account.
- If you change your employer, your former employer will no longer contribute towards your account. Your new employer may not want to contribute towards your account.
- You may join your new employer's company pension scheme, in which case you may no longer be able to afford to continue making contributions at the same rate, or at all.
- Your new employer may enrol you into their workplace scheme. You'll need to consider your options at the time and may want to consult a financial adviser.

What happens if I stop paying contributions or change the level of my contributions?

- You can stop, restart, reduce or increase your contributions at any time.
If you stop or reduce contributions, auto enrolment legislation means that you could be re-enrolled in the future and be required to pay a minimum contribution, unless you opt out at that time.
- If you reduce or stop your contribution you may affect your entitlement to employer contributions – you may need to consider what effect this may have on your future retirement benefits.



Questions and answers

- If you stop paying contributions, the contributions that have already been made will remain invested in the fund or funds you've chosen and, if a Lifestyle option or LifePath fund applies, it'll continue to operate. The annual management charge will continue to apply.

Can I transfer to another pension scheme?

- Yes, you can transfer to another registered pension scheme, or qualifying recognised overseas pension scheme, subject to that scheme agreeing to accept the transfer.
- There are no penalties if you transfer to another registered pension scheme or qualifying recognised overseas pension scheme.
- Various legal and regulatory requirements apply to transfers and you should get advice before making a transfer.
- Transferring your pension may not be the best option for you, you should compare the benefits from your current pension with the estimated benefits of your new pension, including any guarantees and penalties. If you're unsure whether this is right for you or need advice, please speak to a financial adviser. If you don't have a financial adviser, please visit moneyhelper.org.uk/choosing-a-financial-adviser to find the right one for you.

What are my options at retirement?

- Although a Group Personal Pension is designed to provide you with an income in retirement, you don't have to give up work and retire to take benefits.



Questions and answers

- When you want to receive benefits from your account, you can, subject to being eligible to do so at the time. You can use the value of your account in a number of ways:

Lump sums

- A pension commencement lump sum (PCLS) of up to 25% of the value of your account may be paid tax free. The remainder of your account must be used to provide income when PCLS is paid.
- Alternatively, up to 100% of the value of your account may be paid as an uncrystallised funds pension lump sum (UFPLS). 25% of the UFPLS will usually be tax free but the remainder would be added to any other taxable income in the tax year that you received the UFPLS.
- There are two allowances which limit the total amount you can take as tax-free lump sums or the tax-free element of lump sums - the Lump Sum Allowance (LSA) and the Lump Sum and Death Benefit Allowance (LSDBA). For more information please visit [**gov.uk/tax-on-your-private-pension/lump-sum-allowance**](http://gov.uk/tax-on-your-private-pension/lump-sum-allowance)
- The LSA is £268,275. This limits the amount you can take as certain tax-free lump sums, unless you have a protection or enhancement which increases your lump sum allowance and means you benefit from a higher limit.



Questions and answers

- The LSDBA is £1,073,100. This limits the total amount that can be paid as tax-free lump sums to you during your lifetime, and to your beneficiaries following your death, unless you have a protection or enhancement which increases your lump sum and death benefit allowance and means you benefit from a higher limit.
- You may have higher allowances if you have a protection. For more information please visit gov.uk/tax-on-your-private-pension/lump-sum-allowance
- Any lump sums you take after you've used up your LSA or your LSDBA will be subject to income tax at your marginal rate.
- If you've used all of your LSA or your LSDBA, you normally can't take any more PCLS payments.
- If you've used all of your LSA or LSDBA, any further UFPLS payments you take will be subject, in full, to income tax at your marginal rate.
- If you use up all of the LSA but have LSDBA remaining when you die, any lump sum death benefits can still be paid tax-free up to the amount of your remaining LSDBA.

Pension benefits

- You can choose to use the value of your account to purchase an annuity.
- Your annuity must be bought from an annuity provider and you should shop around to find the one offering the best rates at that time. The annuity can be arranged to last for your lifetime only, or to continue for the lifetime of you and your husband, wife, or registered civil partner, possibly with a reduction in amount when you die.



Questions and answers

- An annuity may be a fixed level or increase to keep up with inflation each year and can have a guaranteed payment period.
- Different types of annuities have different costs. It's up to you to decide the annuity that's best for you at the time.
- You don't need to decide the type of annuity until just before you want your income to start.
- If you suffer from ill health, you may be able to obtain a higher annuity from certain annuity providers.

As annuity rates can change substantially and rapidly, there is no guarantee that when you do purchase an annuity the rates will be favourable. This could mean that your pension thereafter may be less than you hoped for.

Alternative payments

- You may decide to request a transfer payment if you wish to access any benefit flexibilities (such as income drawdown benefits) available under other types of pensions provided by us or other providers.

What happens if I die before I take my benefits?

- If you die before taking benefits, we'll pay the value of your account at the time, either to the person or persons (called beneficiaries) you've named, where you've given us a valid written direction, or at our discretion.



Questions and answers

What about tax?

- All personal contributions must be paid to us net of basic rate tax and we collect the tax relief from HMRC. Basic rate tax relief is currently 20%. If you're contributing £80 a month from your net pay, £100 will automatically be invested in your account – that's an additional £20 at no extra cost to you. If you're aged 75 or over, then no tax relief will be added to your personal contributions.
- If you pay higher than basic rate tax, you can reclaim the extra relief via your yearly tax return or by asking HMRC to adjust your tax code. The value of any tax relief depends on your personal circumstances, which may change.
- At retirement, you can normally receive up to 25% of your Group Personal Pension as a tax-free cash lump sum. However, the tax-free amount may be less than 25% if you don't have enough LSA/LSDBA remaining.
- If you use some or all of your account to provide an UFPLS, then 25% of the lump sum will usually be paid tax free with the remaining 75% taxed as earned income. The tax-free amount of an UFPLS may be less than 25% if you don't have enough LSA/LSDBA remaining.
- If you applied for enhanced protection or fixed protection 2016 on or after 15 March 2023, you may lose that protection if you transfer to a Group Personal Pension.



Questions and answers

- The income you receive through an annuity will be taxed as earned income and the annuity provider will take tax from payments under Pay As You Earn (PAYE) arrangements.
- Accessing your benefits flexibly (by taking an UFPLS or entering into flexi-access drawdown) can limit your ability to make further tax-relievable pension contributions.

Taking your benefits in this way will trigger a limit on pension savings known as the Money Purchase Annual Allowance (MPAA). The MPAA effectively limits the pension savings that an individual can make to money purchase schemes, or have made on their behalf to such schemes, to £10,000 per tax year.

A money purchase scheme is one where the benefits provided by the scheme are dependent on how much you and your employer contribute and the investment performance of those contributions.

If the total contributions that you and your employer, if applicable, make across all money purchase pension schemes exceeds £10,000, the excess contributions will incur a tax charge. Unlike the normal annual allowance, it's not possible to carry forward unused MPAA from previous tax years.

- This information is based on our understanding of current taxation law and HMRC practice, which may change.
- The value of any tax relief depends on your individual circumstances, which may change.



Questions and answers

Do I need to pay for advice?

- We don't provide investment or financial advice.
- If you get your own personal investment advice from an authorised financial adviser, you'll have to pay for that advice
 - your adviser will tell you how much it'll cost.

Can I opt out of the TargetPlan Group Personal Pension if I've been automatically enrolled or automatically re-enrolled?

Yes, you can opt out under auto enrolment rules. In both cases there'll be a one-month period during which you can opt out – you'll be notified of when it starts and what you need to do to exercise your right to opt out. If you've been automatically enrolled and opt out, your membership will be undone and you'll be treated as not having been enrolled into the scheme on that occasion.

Any contributions deducted from your salary will be refunded to you by your employer. If you've been automatically re-enrolled and opt out, your latest period of active membership will be undone and you'll be treated as not having been re-enrolled into the scheme on that occasion. Any contributions deducted from your salary since you were re-enrolled will be refunded to you by your employer. Any existing benefits held in your account will remain invested.

If you opt out after the one-month opt out period has ended, you'll not be able to receive a refund of your contributions. Any contributions that have been received to date will remain invested and no further contributions will be made.



Questions and answers

If I haven't been automatically enrolled or automatically re-enrolled, can I cancel my account?

We'll notify you of your right to cancel when we accept your application. You'll then have 30 days in which you can cancel your account. You can cancel your account by calling us, writing to us (using the details in the **How to contact us** section) or by returning the cancellation notice that we'll send to you when your Group Personal Pension is opened. You may not receive back the same amount that you paid as a result of market movement which we've reasonably incurred in cancelling your account. If you don't exercise your right to cancel your account it will continue, as set out in the Policy document.

If you decide to cancel a transfer payment into your account, we'll make every effort to return the money to the previous provider. However, the transferring scheme may refuse to accept the transfer or refuse to accept it on the original terms. If the transfer payment cannot be returned it'll remain invested in your Group Personal Pension, until you're able to find a provider who'll accept the transfer payment.



Other important information

What happens if I want to stop contributions to my account after the cancellation period has ended?

The contributions paid to date will remain invested in your account, until you turn age 55 (rising to 57 on 5 April 2028) or you want to take your retirement benefits, or decide to transfer to another provider. We'll not be able to refund the contributions that have been paid to your account.

Aegon is a brand name of Scottish Equitable plc.

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Our service

- We can only offer pension products from Aegon.
- You'll not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of products that we'll provide details on. You'll then need to make your own choice about how to proceed.



Other important information

How to contact us

Although we can't give you personal financial advice, please contact us if you want any information or have any questions about your account.

-  Write to us at: Aegon Workplace Investing, Sunderland, SR43 4DH
-  Phone: 0345 601 7721 (call charges will vary)
-  Email: my.pension@aegon.co.uk

Our email system and the way we deal with data internally is secure. However, we're unable to ensure the security of emails before they reach us so please consider this and do not include any personally sensitive, financial or banking information that has not been appropriately secured. If you have access to our online services, you may be able to log in and complete your action securely.

Client categorisation

There are various categories of client set out in the Financial Conduct Authority (FCA) rules. For the purposes of this TargetPlan Group Personal Pension, we'll treat you as a retail client. Being a retail client gives you the highest available level of protection under these rules and ensures you get full information about any products you buy.



Other important information

If, under the FCA rules, you're categorised as a 'professional client' or an 'eligible counterparty', we'll still treat you as a retail client although this would not necessarily mean that you would be eligible to refer any complaints to the Financial Ombudsman Service or to make a claim under the Financial Services Compensation Scheme.

Complaints

We hope you never have cause to complain, but if you do, the first step is to contact us using the details below. We'll deal with your complaint in accordance with our complaints procedure. You can contact us for a copy, or find it on our website. You can write to us at:

- Aegon Workplace Investing, Sunderland, SR43 4DH
- Phone us on: 0345 601 7721 (call charges will vary)
- Email us at: my.pension@aegon.co.uk

If you're not satisfied with how we've dealt with your complaint, you can raise the issue with the Financial Ombudsman Service at:

- Phone: 0800 023 4567 or 0300 123 9 123
- Website: financial-ombudsman.org.uk

Making a complaint unless made to the Pensions Ombudsman will not prejudice your right to take legal proceedings.



Other important information

For pension related complaints you can also contact the Pensions Ombudsman:

 Phone: 0800 917 4487

 Website: **pensions-ombudsman.org.uk**

If your complaint relates to financial advice, you should speak to your financial adviser.



Other important information

Compensation

If you're a retail client your account is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we can't meet our obligations for example, if we were to become insolvent and unable to meet the claims against us. This depends on the type of business and the circumstances of the claim. The TargetPlan Group Personal Pension is an insured scheme. Insurance business of this type is generally covered for 100% of the value of the whole claim, without limit.

If you choose an investment fund that invests in a collective investment scheme managed by another firm, you'll not be eligible for any compensation under the FSCS if that firm is unable to meet its obligations. We're also not eligible to make a claim on your behalf so the price of a unit in the investment fund will depend on the amount we receive from the firm.

For more details please visit fscs.org.uk

For more in-depth information on all our funds and how we invest your money, you can phone us on 0345 601 7721 (call charges will vary).

Language and Law

The contract and all correspondence will be made in English. All communications from us will normally be by letter or telephone. In the event of a legal dispute, the law of England and Wales will apply.



Other important information

Conflicts of interest

During your investment, conflicts of interest may arise between you and us, our employees, our associated companies or our representatives. To make sure we treat investors consistently and fairly, we're required to have a policy on how to identify and manage these conflicts.

A summary of our policy is detailed below. If you'd like a copy of our full policy, please contact us or you can find it at aegon.co.uk/content/dam/auk/assets/publication/legal/conflicts-of-interest-policy.pdf

We:

- Will consider the interests of all our customers and treat them fairly
- Will manage conflicts of interest fairly, to make sure all customers are treated consistently and to prevent any conflicts of interest from giving rise to a material risk of damage to the interests of our customers
- Have in place procedures to make sure that staff identify and report any new conflicts
- Will keep a written record of any conflicts or potential conflicts
- If appropriate, we'll disclose any relevant conflict to a customer before undertaking business with them
- Will carry out an annual review to identify any new conflicts



Other important information

- Will ensure new business developments identify any new conflicts of interest

This policy applies to any company to whom we delegate any of our responsibilities.

How we pay our employees

We pay our employees a base salary, and dependent on their role, a yearly bonus. The bonus paid is based on meeting a number of targets set at the beginning of the year. These include the level of profit the company makes from new and existing business. It's also dependent on non-financial targets, such as the quality of service we provide.

About us

Our story started over 190 years ago, when we were founded as Scottish Equitable in the UK. Today we are part of Aegon – an integrated, diversified, international financial services group.

Our UK team are focused in providing pension, savings and investment solutions for customers throughout their lifetime. We do that by working with financial advisers and employers.

Solvency Financial Condition Report

The Scottish Equitable plc Solvency Financial Condition Report (SFCR) is available on our website at aegon.co.uk/content/dam/auk/assets/publication/legal/auk-group-sfcr.pdf



Other important information

Support we may give to third parties

To help third parties such as an employer or adviser give you an improved service, we may provide them with marketing and promotional support, technical services and training. We may also provide them with hospitality. Typically the value of this support is less than £75 per year, but can be more where, for example, additional training is required. If you want to find out more you can ask your financial adviser, if you have one, or employer or other third party to provide specific details of any benefits provided.

Risks relating to reinsured funds

Customers bear all risks associated with investment in the insured funds. These risks include where we reinsurance our obligations under the 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'll bear the risk of the default or fraud of any third party insurer or manager responsible for an insured fund, or any counterparty to any transaction in respect of an insured fund. If you require further information on this you should speak to a financial adviser or contact us using the details that can be found at the end of this guide.

Want to know more?



aegon.co.uk/targetplan

aegon.co.uk @aegonuk  Aegon UK



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