

For employees

Key Features of the TargetPlan Retirement Income Account

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, Scottish Equitable plc ('Aegon') to give you this important information to help you to decide whether the TargetPlan Retirement Income Account 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.

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Is the TargetPlan Retirement Income Account right for you?

This document is designed to help you to decide.

Important

Please read this Key Features document with:

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

If there's anything that you don't understand, or if you're not sure whether the TargetPlan Retirement Income Account ('account') is suitable for you, you should get advice from a financial adviser.



Its aims

- To allow you to receive a pension commencement lump sum (PCLS), (which currently can be paid to you as a one off lump sum) and/or an income from the account. You can normally take your benefits from age 55 (this will rise to 57 on 6 April 2028).
- To provide an income whilst allowing your account to remain invested.
- To provide flexibility in the amount of income that you receive.
- To allow you to access your PCLS without having to receive any income immediately.
- To provide you with flexibility in the timing of when you purchase a lifetime annuity, if you wish to do this.
- To provide flexibility in the benefits available to your dependants or other beneficiaries upon your death.



Your commitment

- To read the information and risks associated with the account and if you don't understand please speak to an adviser.
- To provide us with any information that we need to set up your account and to continue to administer it.
- To regularly review your income level and investment(s) to make sure that they continue to meet your needs.
- To provide us with any information we request in order to administer your account including any relevant changes to your personal circumstances such as a change of address or bank details. If you don't, we may have to suspend the payment of income until the information is provided.



Risks

- If you take too much income too soon your account may run out of money before you die.
- The value of an investment, and any income from it, can fall as well as rise and isn't guaranteed. You could get back less than you originally invested.
- If the amount of income you withdraw from your account is greater than any investment growth, the value of your account will go down.
- If the value of your account goes down this may reduce the amount of income that you can receive in the future.
- If you intend to use your account to purchase an annuity in the future, any reduction in the value of your account as a result of withdrawing income or due to investment performance will reduce the amount available to purchase the annuity. This in turn may reduce the amount of annuity income that you can receive.
- If you applied for enhanced protection or fixed protection 2016 on or after 15 March 2023, you may lose that protection if you transfer into this scheme.

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



Questions and answers

What is a TargetPlan Retirement Income Account?

- It's an income drawdown product that allows you to take benefits whilst keeping your pension fund invested and taking an income from it without having to purchase an annuity.
- You can decide how much income you want to take from your account. If you do choose to take an income from your account there's a minimum amount that must be taken which is currently £10 per payment before income tax is deducted.

How does the TargetPlan Retirement Income Account work?

- You agree to transfer benefits from one or more pension arrangements to the TargetPlan Retirement Income Account in order to set up your account.
- Transferring your pension to this account 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.
- You choose how much of your account will provide you with an immediate PCLS (currently tax-free) up to a maximum of 25% of the amount transferred to the account, and how much will be designated as an income drawdown fund.
- You can choose how much income to take and you can vary the amount subject to any minimum income payment amount that may apply.



Questions and answers

- You tell us which funds you want us to invest your account in and which funds you want us to pay your income payments from. Please see your Member guide for more information about this.
- We'll send you a statement each year showing you the value of your account and how much income you've taken.

Can I make additional transfer payments to my account?

- Once your account has been set up you can make additional transfers to your account but these must have a minimum value of £1,000.
- You can transfer uncrystallised funds to your account (these are funds which have not been used to provide retirement benefits) or your account can accept drawdown to drawdown transfers. The account cannot however accept capped drawdown transfers (capped drawdown arrangements are those set up before 6 April 2015). If you wish to transfer capped drawdown funds these must be converted to flexi-access drawdown funds.
- We can accept pension credits awarded to you as a result of a divorce settlement, provided its value is more than the minimum value.

Can I make contributions to my account?

- No, it's not possible to pay additional contributions to your account.



Questions and answers

Will receiving an income from my account affect my ability to make contributions to other pension schemes?

- Receiving an income payment from your account will mean that you'll become subject to the money purchase annual allowance (MPAA), if it doesn't already apply to you.
- The MPAA may affect the amount of pension savings that you can make in the future.
- For details of the MPAA please refer to the Member guide and for confirmation of the current amount of the MPAA please refer to [**gov.uk/tax-on-your-private-pension/annual-allowance**](http://gov.uk/tax-on-your-private-pension/annual-allowance)
- If you want to make contributions to another pension scheme, or are unsure if the MPAA applies to you, you should speak to a financial adviser.

What can I invest in?

- We offer a wide range of funds for you to invest in. These funds cover most investment sectors in the UK and abroad. We also offer funds managed by companies other than Aegon.
- The funds may invest in underlying life funds or may invest in collective investment funds, some of which may be non-Life funds.
- Depending on the nature of a fund, its assets may include (without limitation) company shares, government and corporate bonds, cash and other investments in the UK and abroad.



Questions and answers

- You can find more information on your investment options, in the Investment options leaflet.
- You can find details of how the investment funds work and information about any restrictions that there may be in your choice of investment funds in the Member guide.

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(s).
- We work out the price of a unit each day and each transfer payment or pensions credit 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 us, you can find contact details in 'How to contact us' section.

What are the charges?

- Each fund has an 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 bear its share of the costs of other services, such as the fees paid to the trustee/



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depositary, custodian, auditors and registrar. In addition, the fund may also bear the cost of any expenses associated with tax reclams on behalf of the fund.

- The annual management charge for each fund, and any additional expenses, for each fund can be found on TargetPlan (our member portal) or by calling us, you can find contact details in 'How to contact us' section.
- 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 your existing investments to any of the funds offered under the account.
- There'll be a period each month when we're preparing your income payment when we may have to delay acting upon a request to switch investments. If this is the case we'll let you know as soon as possible after receiving your instruction.

For advice as to whether a fund is suitable for you, please speak to a financial adviser.



Questions and answers

What choices will I have when I select the benefits I want from my account?

- Your account can provide benefits in a number of ways.

Income drawdown

You can use your account to provide you with an income. You have the following options in respect of that income:

- Your income payments can be paid each month, quarter, half year or year.
- You can ask for your income payments to increase automatically each year in line with an index or by a fixed percentage.
- You can change the amount of income you receive at any time, including stopping income. If you wish to restart taking an income or take a one-off income payment from your account the level of income is subject to the minimum payment amount referred to above.
- Changes made to your income payments will take place on the next available payment date after we receive your request. See your Member guide for more information.

The level of income isn't guaranteed. You may need to reduce your drawdown income in the future, in particular if the performance of your investments is lower than expected, or you live to a greater age than originally anticipated when choosing your initial income level.



Questions and answers

Taking income payments will reduce the size of your account and the investment growth may not be sufficient to maintain the level of income you wish to take.

If you withdraw money at a rate greater than the growth achieved by your investments, your remaining account balance will reduce in value. You should regularly review the value of your account and the income you're taking so that you can judge whether continuing to take the same level of income may lead to you running out of money earlier than expected.

The income you receive may be lower than the amount you could receive from an annuity, depending on the performance of your investments. The rules governing how much income you can take directly from your pension fund may change. This could mean that the income you can take from the investment no longer meets your requirements.

Lump sums

- A PCLS of up to 25% of the uncrystallised funds transferred to your account can be paid and the amount is tax-free.
- When you take a PCLS you must also designate funds to provide income drawdown at the same time, but you don't need to immediately take an income from those funds.
- 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 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)



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- The lump sum allowance 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.
- The lump sum and death benefit allowance 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**](http://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.



Questions and answers

Pension benefits

- You can choose to use the whole, or part value of your account to purchase an annuity at any time after age 55 although this will rise to 57 from 6 April 2028.
- Your annuity must be bought from an annuity provider and you should shop around to find an annuity which best meets your needs. 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.
- You may also buy a short term annuity - one that is only payable for a period of up to five years, subject to any eligibility rules that may apply.
- An annuity may be 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.
- 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's no guarantee that when you do purchase an annuity the rates will be favourable. This could mean that your pension may be less than you hoped for.



Questions and answers

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 pension scheme. However we may restrict you on the number of transfer out payments that can be paid and the minimum amount that can be paid.
- If you wish to continue the account after a transfer out payment has been made, the amount that must be retained in the account is £1,000.
- Various legal and regulatory requirements apply to transfers and you should get advice before doing so.

What happens if I die?

- Your remaining account value can be paid as a lump sum to your dependant(s) or nominated beneficiaries. In the absence of any dependants or nominated beneficiaries, Aegon will exercise its discretion, in accordance with the rules of the scheme, to choose a beneficiary.
- Subject to any minimum values in operation at the time of your death it may be possible for your dependant(s) or nominated beneficiaries to continue to receive income drawdown payments.

What about tax?

- You can normally receive up to 25% of your account as a tax-free PCLS subject to the LSA and LSDBA.



Questions and answers

- If you want to take PCLS in instalments, each time you designate part of your account into income drawdown, you can take 25% of that as PCLS which will be paid tax free. The remaining 75% will be subject to income tax.
- Tax treatment depends on your individual circumstances and may be subject to change in the future.
- Income payments are subject to income tax in the following circumstances:
 - Where the person you inherited drawdown funds from was 75 or over at their death.
 - Where the inherited funds are not set-up as income drawdown within two years of us being notified of the death, or we could reasonably have been expected to know about it.
- Where income tax is payable, the relevant amount will be deducted before each income payment is made in accordance with instructions received from HMRC.
- Any lump sum or income payments made following your death will normally be paid free of tax to your dependants or beneficiaries if you were aged under 75 when you died and as long as any lump sum is paid, or a drawdown account is set up within two years of us being made aware of your death. If your death benefits are paid as a lump sum and they exceed your LSDBA, the excess over your LSDBA will be subject to income tax at the recipient's marginal rate.



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- If you're aged 75 or over when you die or benefits are not paid within two years of us being made aware of your death, any income payments and/or lump sums will normally be subject to the recipient's marginal rate of income tax (an individual's marginal rate of income tax is the income tax payable on your next pound of income, for practical purposes it can be thought of as the highest rate of tax you'll pay on your income).
- If you applied for enhanced protection or fixed protection 2016 on or after 15 March 2023, you may lose that protection if you transfer into this scheme.
- The amount of any tax relief which is available at any given time will depend on your individual circumstances.

This information is based on our understanding of current taxation law and HMRC practice, which may change.

Do I need to pay for advice?

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



Questions and answers

Can I cancel my account?

- We automatically provide a 30-day period of reflection during which you have the right to cancel should you change your mind. This period will begin from the date we receive your signed and completed application form and we'll not request any transfer payment until this period has passed.
- If you want to waive the period of reflection and want us to open the account as soon as possible you can do this by contacting us using the details in the **contact us** section.
- If you do want to cancel your account within the 30-day period, you can do this by calling us or writing to us using the details in the **contact us** section.
- If you don't exercise your right to cancel your account within the 30-day period of reflection, it'll continue as set out in the Policy document.



Other important information

Aegon is a brand name of Scottish Equitable plc.

Scottish Equitable plc, registered office:

Aegon Lochside Crescent
Edinburgh Park
Edinburgh
EH12 9SE

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Our service

- We can only offer pension products from Aegon.
- You won't 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.

About us

Our story started over 190 years ago, when we were founded as Scottish Equitable in the UK. Today we're 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.



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.

 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

We classify you as a 'retail client' under Financial Conduct Authority (FCA) rules. This means you'll receive the highest level of regulatory protection available for complaints and compensation.

If you fall outside of the FCA definition of a retail client, whilst we'll continue to treat you as a retail client, including providing information in a more straightforward way, you may not be able to access the Financial Ombudsman Service and Financial Services Compensation Scheme. If you need further information regarding client categorisation, please speak to your financial adviser or contact us directly.



Other important information

Complaints

We hope you never have cause to complain, but if you do, the first step is to contact us using the 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**](mailto: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**](http://financial-ombudsman.org.uk)

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

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

- Phone: 0800 917 4487
- Website: [**pensions-ombudsman.org.uk**](http://pensions-ombudsman.org.uk)

If your complaint relates to an investment, you should speak to your financial adviser or the investment manager in question.



Other important information

Compensation

If the fund you're invested in is a Life Fund, you may be able to claim compensation under the Financial Services Compensation Scheme (FSCS) if we can't meet our liabilities to our investors.

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](https://www.fscs.org.uk)

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

Language and Law

The language in which the contract is supplied and in which we communicate is English. In the event of a legal dispute, the law of England and Wales will apply. All communications from us will normally be by letter, email or telephone.



Other important information

Conflicts of interest

Aegon maintains a Conflicts of interest policy in accordance with all Financial Conduct Authority (FCA) Conduct of Business rules, to make sure we manage the risk of damage to customer interests. A conflict of interest may arise where an action taken by us could be seen to compromise or conflict with the best interests of our advisers, intermediaries and customers. If we identified a conflict of interest that we couldn't manage appropriately then we'd decline to accept this business to ensure the fair treatment of our customers. We're transparent about where conflicts of interest can arise and our policy to deal with them. Please read our conflicts of interest policy at aegon.co.uk/content/dam/auk/assets/publication/legal/conflicts-of-interest-policy.pdf

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.



Other important information

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/scottish-equitable-plc-sfcr.pdf

Risks relating to reinsured funds

Customers bear all risks associated with investment in the insured funds. These risks include where we reinsure 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 need 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.

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.

Want to know more?

 0345 601 7721 (call charges will vary)

 my.pension@aegon.co.uk

 aegon.co.uk/targetplan

aegon.co.uk @aegonuk  Aegon UK



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