

# Terms and conditions of the New Generation Group AVC

Reference U433 10/2017

These are our standard terms and conditions on which we rely. You should read these terms carefully. If you do not understand anything please contact us for further information.

## Contents

	Page
1 <b>Introduction</b>	3
2 <b>Contributions to your plan</b>	4
3 <b>Charges</b>	5
4 <b>Funds and units</b>	5
5 <b>The member's pension benefits</b>	9
6 <b>What happens when a member dies before retiring?</b>	11
7 <b>What happens when a member dies after retiring?</b>	11
8 <b>Surplus funds</b>	11
9 <b>What happens if we pay the pension or death benefits late?</b>	11
10 <b>Transferring the value of a member's account to another scheme</b>	12
11 <b>What happens if the scheme is not registered with HMRC?</b>	12
12 <b>Changed circumstances</b>	12
13 <b>What happens if the scheme is wound up?</b>	14
14 <b>Accounting for tax</b>	14

## 1 Introduction

### 1.1 About this document

This document describes the terms and conditions that apply to your **plan** with us.

This **plan** is a contract between you and us. Please read it carefully and keep it in a safe place.

Please also keep any illustration we gave you when you started the **plan**.

### 1.2 What is meant by 'you', 'us' and 'we'

#### You

The trustees of the **scheme**.

#### Us and We

Aviva Life & Pensions UK Limited, the providers of the **scheme**.

### 1.3 Other expressions we use in this document

This section explains what we mean by various expressions that we use in this document and any endorsements (notices of change to the **plan**).

If we use any of these expressions we use **bold** to remind you that you can look up their meanings here.

#### Administration headquarters

Our **administration headquarters** is our Salisbury office at:

**PO Box 1550  
Salisbury  
Wiltshire  
SP1 2TW**

or such other address as we may advise from time to time.

#### Dependant

This means a person who is financially dependent on the **member**, or dependent on the **member** because of physical or mental impairment at the time of the **member's** death. It includes the **member's** husband, wife or registered civil partner.

#### FCA

The Financial Conduct Authority and any regulator that may need to replace its regulatory function from time to time.

## Funds

These are the **funds** available for you to invest in that are split into notional **units**. We describe this in section 4.3.1.

## HMRC

HM Revenue & Customs.

## Member

A **member** of the **scheme** who has benefits under this **plan**.

## Normal retirement date

The **member's** retirement age shown on the application form. This cannot be changed unless we agree.

## Pension date

The **member's normal retirement date** or another date when he or she starts his or her pension benefits.

## Plan

This **plan** which includes these terms and conditions, the **plan** schedule and any endorsements that relate to the **plan**.

## Regular contributions

The total regular contributions made into the **plan**.

We do not treat **single contributions** paid by cheque as regular contributions.

## Rules

The rules of the **scheme**.

## Scheme

This is the company pension scheme named on the schedule we have issued with this **plan**.

## Single contribution

Any payment made into your **plan** by cheque, unless we have agreed another method of payment.

## Transfer value

This is the value of any additional voluntary contributions transferred into your **plan** from another scheme.

## Units

The **funds** are split up into notional **units**. Payments into the **plan** buy notional **units** in the **funds** you have chosen. We describe this in section 4.3.2.

## Written instructions

These are instructions sent to us by post to our **administration headquarters**. They must be in English and in writing.

### 1.4 The law which applies to your plan

We and you have a free choice about the law that can apply to a contract. We propose to choose the law of England and Wales and by entering into this contract you agree that the law of England and Wales applies. The courts of England and Wales shall have non-exclusive jurisdiction over any claim, dispute or difference which may arise out of, or in connection with this contract.

### 1.5 Fairness of Terms

- In making decisions and exercising discretions given to us under these terms, we will act reasonably and with proper regard to the need to treat you and our other customers fairly.
- These policy terms and conditions will only apply to the **plan** provided they are not held by a relevant court or viewed by the **FCA** or us to be unfair contract terms. If a term is unfair it will, as far as possible, still apply but without any part of it which causes it to be unfair.

### 1.6 Events or circumstances beyond our control

Under this **plan** we shall not be liable to pay you, or any other person, any compensation for loss due to an event or circumstance beyond our control. This includes loss caused by any delay in performing our obligations due to restrictions imposed upon us by law or regulation.

### 1.7 General

Anything we pay under this **plan** will be paid in pounds sterling.

Anything paid into this **plan** must be paid in pounds sterling.

## 2 Contributions to your plan

Each **member** will have an account in his or her own name in the **plan**.

You must give us the information we need to decide how much of each contribution applies to each **member**.

We will invest contributions in the relevant **member's** account.

### 2.1 How to make contributions

You can:

- make **regular contributions** at any time;
- change the amount of **regular contributions** at any time;
- make **single contributions** at any time;
- stop contributions at any time.

You can re-start your contributions at any time.

We don't take extra charges if you stop or re-start contributions, unless we have sent you an endorsement to your **plan** showing that we do or an illustration showing that we do.

If you are making **regular contributions** you must pay them by Direct Debit unless we have agreed another method of payment.

If you want to make **single contributions**, you must pay these by cheque unless we have agreed another method of payment.

In exceptional circumstances we may agree to accept a **single contribution** by cheque directly from the **member**.

### 2.2 Transfer values

You can make **transfer values** into your **plan** at any time. You cannot transfer benefits into the **plan** apart from the value of a **member's** additional voluntary contributions from another scheme.

### 2.3 How much can be paid or transferred into your plan

There are **HMRC** rules about **transfer values** and about how much you can pay into this **plan**. We will only accept payments if everyone involved keeps to those rules. The amounts must also be above our minimum levels.

Please ask us if you want details of the current minimum levels.

### 3 Charges

The charges we take are as follows:

- We make deductions from the **funds** before we work out the price of **units**. We describe this in section 4.3.3.
- We may take a percentage of your payments as charges. If we do, this is shown on your **plan** schedule.
- We take annual management charges from your **plan**. We describe this in section 4.9.

### 4 Funds and units

#### 4.1 How we place units in the members' accounts

Each time we receive **regular contributions, single contributions, or transfer values** we will place **units** in the relevant **member's** account as described in section 2.

We will place **units** in the **funds** you have chosen for the **member**. If you have given us authority to accept the **member's** choice of **funds**, we will place **units** in the **funds** the **member** chooses.

For the first contribution under a new **plan** or for any **single contribution or transfer value**, we will not place **units** in your **plan** until we have all the information we need to meet contractual and legal requirements as well as the contribution or **transfer value**.

At any time, we may decide not to accept contributions or **transfer values** into a particular **fund**. We describe this in section 4.8.

Section 4.7 describes when we can move **units** into different **funds** without your or the **member's** permission.

#### 4.2 How we work out the number of units to place in accounts

We may take a percentage of the payments made into your **plan** as charges. If we do, the percentage of the payments we take as charges will be shown on your **plan** schedule.

We will divide the remaining amount by the price of the **units** in the **funds** that you or the **members** have chosen.

The price we use will be the price of the **units** calculated for the working day we receive the payment as well as any contractual or legal requirements as described in section 4.1. We will round the number of **units** to the nearer 0.01 part of a **unit**.

#### 4.3 About the funds

##### 4.3.1 What the funds are

Each **fund** can be identified by a separate pool of assets. Each **fund** is made up of:

- assets invested according to the aims of the **fund**; and
- deposits which are increased by interest, income from the invested assets and proceeds from selling assets, and reduced by the cost of buying assets and the deductions described in section 4.3.3.

We may introduce new **funds** at any time.

We may restrict the **funds** that you or the **member** can invest in.

We may restrict the number of **funds** that you or the **member** can invest in.

All of the above will be in accordance with the Terms and conditions of this **plan**.

##### 4.3.2 Purpose of each fund

We have only set up each **fund** so we can work out the benefits we will pay under your **plan** and other **plans**. The assets in each **fund** are our property.

Nothing contained in these terms and conditions will:

- mean that you or any other person has a legal right to or beneficial interest in any of the assets in any **fund**; or
- restrict in any other way how we own the assets in each **fund**.

The **units** we place in your **plan** are 'notional **units**'. This means we only use them to work out how much we will pay under your **plan**.

In managing the **funds** we may increase or reduce the number of **units** in a **fund**, including the Aviva Life & Pensions UK Limited FP With-Profits Sub-Fund. We will take the following actions to limit the effect of this on the **unit** price.

If we increase the number of **units**, we will add to the **fund** an amount equal to those **units**.

If we reduce the number of **units**, we will take from the **fund** an amount equal in value to those **units**, allowing, in the case of the FP With-Profits Sub-Fund, for any market value reduction as described in section 12.4.1 or the cost of any final bonus.

We will base these values on the price for the date we increase or reduce the number of **units**.

## 4.3.3 Deductions from the funds

We are entitled to take from each **fund**:

- all costs and expenses we have to pay to buy, sell maintain or value any assets;
- the amount of taxes and levies (other charges we have to pay by law) we decide are appropriate to the **fund** at all times acting reasonably;
- the amount of money we reasonably believe we should set aside to pay any anticipated future taxes, fees or levies;
- trustee fees and fees payable to the **FCA** from **funds** invested with an external manager.

## 4.4 How we value units in each fund apart from the FP With-Profits Sub-Fund

### 4.4.1 Setting the value of each fund

Acting reasonably we take the value of the **fund's** assets as follows:

- in the case of freehold or leasehold property, we use a valuation certified by an independent valuer appointed by us and we adjust it to take into account any variation since the valuation;
- in the case of quoted securities, we base the value on the daily price quoted on a relevant stock exchange chosen by us;
- in the case of other assets, we use relevant factors we consider appropriate and fair to investors, based on available sources of information on prices of those assets.

If we are generally increasing the number of **units** in a **fund**, we will base its value on the amount we would have to pay to acquire the assets, including any taxes, duties, expenses and other charges that would be payable.

If we are generally reducing the number of **units** in a **fund**, we will base its value on the amount we would obtain by selling the assets, reduced by any taxes, duties, expenses and other charges that would be payable.

If the number of **units** in a **fund** is generally neither increasing nor reducing, we may base its value on mid-market prices and without any allowance for the costs of acquiring or selling assets.

### 4.4.2 Working out the price of the fund units

Each **unit** in a **fund** will have a **unit** price. This is the price at which we will place or take one **unit** under your **plan**.

For **funds** apart from the FP With-Profits Sub-Fund we work out the **unit** price by:

- taking the value of the **fund** as described in section 4.4.1;
- taking the deductions we describe in section 4.3.3;
- dividing this resulting value by the total number of **units**; and
- rounding the result to the nearest 6th decimal place.

We will keep any gains or suffer any losses due to rounding **unit** prices.

## 4.5 How we work out the price of FP With-Profits Sub-Fund units

The FP With-Profits Sub-Fund works in a different way to the other **funds**. The performance of the FP With-Profits Sub-Fund **units** depends on the investment profits and losses the FP With-Profits Sub-Fund makes and on the decisions we take about their distribution.

The **unit** price increases daily in line with the rate of regular bonus we declare and is rounded to one decimal place. This rate is reviewed at least once each year and may go down or up at any time. There will be no increase to the **unit** price if the bonus rate is zero.

We set regular bonus rates with the aim of allowing an adequate margin to pay final bonus on most policies when they end. As a result the value of the **units** in the FP With-Profits Sub-Fund will generally not be equal to the value of underlying assets. If the value of the **units** is greater than the value of underlying assets we may apply a market value reduction as described under section 12.4.1.

## 4.6 Switching between funds

### 4.6.1 What your options are

You can tell us to switch the value of some or all of the **units** placed in a **member's** account in the **plan** into **units** in another available **fund** at any time.

You can tell us to switch future **regular contributions** for a **member** into a different available **fund** at any time after the first contribution paid into the **member's** account has been invested.

We will accept instructions from a **member** if you have given us the authority to do this.

You or the **member** must tell us in writing unless we have agreed another method with you.

### 4.6.2 When switching is restricted

4.6.2.1 There may be a delay in switching a **member's units** as described in section 12.4.2.

4.6.2.2. We reserve the right to:

- refuse or delay requests for the switching of **units**; or
- limit the number of switches of **units**; or
- impose charges for switching of **units**;

where we have reasonable grounds to suspect that switching arises from you or the member engaging in:

- activities aiming to take unfair advantage of market timing opportunities; or
- a pattern of short-term or excessive switching; or
- switching patterns likely, in our reasonable opinion, to be disruptive to the **unit** pricing of the affected **funds**.

In exercising our discretion, we will take into account your switching history in a particular **fund** or across all **funds**, aggregate value of holdings of **units** in **funds**.

4.6.2.3 You cannot switch the value of a **member's units** or switch a **member's** future **regular contributions** into the FP With-Profits Sub-Fund:

- in the three years before their **normal retirement date**; or
- on or after their **normal retirement date**.

#### 4.6.3 Telling us to switch units already in your plan

You can only switch a whole percentage of **units** into another available **fund**.

We will normally base the value of the switched **units** on the price of the **units** for the working day we receive your or the **member's written instructions**.

Any method of accepting instructions other than **written instructions**, for example by email or fax, will be subject to our agreement and the use of a later price relative to the time of receiving those instructions.

We do not currently make a charge for carrying out switches. We will tell you if this changes in accordance with section 12.1.

#### 4.6.4 Telling us to switch future regular contributions into a different fund

You can only pay a whole percentage of each future **regular contribution** to each **fund**.

We do not make a charge if you decide (or the **member** decides as described in section 4.6.1) to switch future **regular contributions**.

We will carry out the switch when we receive the next contribution after we receive your instructions (or the **member's** instructions as described in section 4.6.1).

#### 4.7 When we will switch units without you or the member telling us to

We may switch **units** in a **member's** account into another **fund** without you or the **member** telling us to if the **member** has reached their **normal retirement date** or their 75th birthday and we have not received any instructions from you about taking their benefits. We may do this (but are not obliged to do so) if, for example, we consider it may protect the value of a **member's** account from stock market falls.

We may also carry out a switch on the day after we receive written notice of the **member's** death.

We do not make a charge for carrying out this switch.

#### 4.8 Closure or withdrawal of a fund or a significant change to a fund

We reserve the right at any time to close or withdraw any **fund(s)** provided it is reasonable to do so and it is for one of the following reasons:

- the **fund** becomes too small or too large to be managed effectively;
- assets to match the **fund's** aims or strategy are not available (including but not limited to where the **fund** is linked to an external **fund**, the closure of that external **fund**);
- the costs of managing the **fund** become prohibitively expensive (including but not limited to the charges imposed by an external fund manager);
- there are significant changes outside of our control (for example in financial markets or the economy) or there are legislative or regulatory changes which mean that the **fund** is no longer able to operate in accordance with its stated aims;
- the **fund** has underperformed over a significant time period;
- where the **fund** is linked to an external fund we have reasonable doubts as to the governance of that external **fund**;
- an aspect of the **fund** changes outside of our control which means it no longer meets legislative or regulatory requirements;
- there is a change of ownership or corporate structure to the fund manager where this has a material adverse effect;
- the fund manager makes a change that does not meet our internal governance requirements.

We may close or withdraw a **fund** at any time. If this happens, you can switch the value of **units** in a **member's** account from that **fund** as described in

section 4.6.3 without charge. The **member** can ask for this switch to take place if you have given us authority to accept their instructions.

If you do not tell us which other **fund** you would prefer, we will switch the value of any **units** in the closed or withdrawn **fund** into **units** of the same value in another **fund** we have chosen, which we reasonably believe most closely matches the closing or withdrawn **fund**.

We may stop accepting future contributions or **transfer values** into a **fund** at any time. If this happens you can choose another available **fund** without charge. The **member** can choose this **fund** if you have given us the authority to accept their instructions. If you do not tell us which other **fund** you prefer, we will choose another **fund** for you, which we reasonably believe most closely matches the **fund** we stopped accepting future contributions or **transfer values** into.

We will give you three months' written notice before we withdraw or close a **fund**, or as much as it is practicable to give if we are unable to give that much notice. This is unless we reasonably consider that it is in your best interest to move out of the **fund** in a shorter time or because we are given insufficient notice by the fund manager.

We will tell you if there is a significant change to a **fund** that we consider may affect your decision to invest in that **fund**. For example, if the **fund** splits, or merges with another **fund**. We will try to give you as much notice as possible but the amount of notice we give you will depend on how much notice we have had of the change.

We will send the notice to you by email to the last email address we have on our records or by post to the last postal address we have on our records.

#### 4.9 How we take annual management charges from your funds

The annual management charge will be calculated as a percentage of the value of the **fund(s)** in which the **member** is invested. It may be changed at any time.

If we gave you an illustration when you started the **plan**, the annual management charges that apply to your **funds** are shown in your illustration. Every month we will take **units** from each **fund** in the **member's** accounts to cover the cost of those management charges.

We will take the number of **units** which equal the value of those charges using the **unit** price for that day.

If the **member** takes benefits, dies or you transfer the value of a **member's** account part way through a month, we may take **units** to cover the cost of management charges due for that month.

We may change the interval at which we take charges provided this does not in itself increase those charges. We will inform you of this change as soon as practicable.

We will not increase the level of annual management charges unless there are changed circumstances, as described in section 12.1.

#### 4.10 Reassurance funds

Reassurance **funds** included within the range of investment **funds** available are **funds** which mainly invest in **funds** operated by other life insurance companies so that these **funds** can also be available to Aviva policyholders either directly or as an underlying investment with an available investment **fund**.

The value of an investment **fund** where the underlying **fund** is operated by another life insurance company mainly depends on the value of the assets held by the other life insurance company in respect of that underlying **fund**. In the unlikely event that the other life insurance company failed to meet its obligations in relation to the investment **fund** the value of the **fund** would be reduced to reflect that failure.

#### 4.11 Investment programmes

Investment programmes may be available to the **plan**. They manage some or all of the **member's** investments in **funds**.

They may apply throughout the term of the **member's** account or only during a certain number of years prior to the **member's** retirement date.

In this section, when references are made to investment selection, instructions may be given by you or the **member**, as detailed in section 4.6.1.

When an investment programme applies to the **member's** account we will switch the **member's** investments in **funds** and apply any ongoing contributions in accordance with that investment programme. We do not make a charge for carrying out these switches. The investment programmes will not switch any money the **member** has invested in the FP With-Profits Sub-Fund. Usual **plan** and **fund** charges apply to **funds** within the investment programmes. Please refer to your **scheme** documentation and investment guides to find out what, if any, investment programmes apply to the **plan**.

The investment programme end date is known as the Investment Programme Retirement Date and it will match the **member's normal retirement date** unless you tell us otherwise. If you change the Investment Programme Retirement Date, this may result in the **member's** existing **fund** holdings being switched and change where any future contributions are invested. You may choose a different Investment Programme Retirement Date at any time.

You can choose an investment programme when the **member** joins the **plan**. After that, you can choose or de-select an investment programme at any time. If you de-select an investment programme you may need to give us alternative investment instructions.

Where an investment programme does not apply throughout the term of the **member's** account, but starts a number of years before the **member's** retirement:

- the investment programme will overlay the **member's** own choice of investment **funds**
- where the **member's** own choice of **funds** is the same as one of the **funds** within the investment programme, their total holding in that **fund** will be used to calculate the movements of money into and within the investment programme.

We may change or remove any investment programme for any of the reasons set out below. This may mean a change to the:

- **funds** within the investment programme;
- mix of **funds** within the investment programme;
- length of the investment programme;
- name of the investment programme;
- risk profile of the investment programme;
- charges that apply in the investment programme.

As set out above, some of these changes may mean that the charges and/or risk ratings change, and either go up or down to reflect the charges and/or risk ratings of the new **funds** and their relative proportions.

If any or all of the above changes happen, we will make information available about the change; however, we will not write to you or the **member** before any or all of the changes or ask your or their permission to make any or all of the changes. After we make any or all of the above changes to the investment programme, we will notify you of the change as soon as practically possible, but this may be after the change has taken place. This could be up to a year after we make the change.

We reserve the right to make such changes to investment programmes as are reasonably required, in order to reflect:

- changes in applicable pensions law, tax law or other law, legislation, regulation or industry codes of practice which affect your investment programme;
- changes in how the London Stock Exchange or other relevant investment or regulated markets may work which may impact the operation of your investment programme;
- changes in investment/share dealing administration or other infrastructure facilities, systems or means of communication which impact on the provision and operation of your investment programme;
- changes to services relating to your **plan** supplied to us by third parties which are outside of our control or which require additional expenditure by us;
- changes to circumstances or the happening of any event which means that the investment programme operates in a way which is unfair to you or our other policyholders;
- changes resulting from the introduction of new systems, services, and changes in technology;
- changes in circumstances or the happening of any event which makes it impossible, impracticable or economically unviable for us not to make a change to the investment programme, provided that any such change is not unfair to you or our other policyholders;
- changes required to remedy obvious errors;
- changes required for appropriate governance reasons to implement legislation or regulatory changes or best practice.

In exceptional circumstances we may have to make an alteration to the **member's** account to remedy errors. If we do, we may use the current version of the investment programme.

## 5 The member's pension benefits

The **member's** pension benefits depend on:

- the value of their account which is described in section 5.3; and
- the **rules** which govern when he or she can start the benefits and what benefits are available.

We will only pay benefits from the **plan** which are allowed under the **rules**.

We will only pay benefits which are covered under the **plan**.

The **member** may be able to take their pension benefits in stages. This depends on the value of their account.

They cannot take any FP With-Profits Sub-Fund **units** in stages.

We will tell you if they can take their pension benefits in stages when they reach their **normal retirement date** or when you tell us they wish to start taking pension benefits.

Please ask us if you want details of this at any other time.

### 5.1 Buying the member's pension from us

The amount of the **member's** pension depends on:

- the value of their account;
- the type of pension chosen; and
- our pension rates at the time.

There is a minimum amount of pension we will pay. Please ask us if you want details of the current minimum.

Section 5.3 describes how we value the **member's** account.

### 5.2 The open market option

If you want to buy the **member's** pension from another provider, we will pay the **member's** tax-free cash sum, if any, first. We will then pay the remaining value of his or her account direct to the other provider.

### 5.3 How we value the member's accounts

#### 5.3.1 If the member takes their pension benefits on their normal retirement date

The value of their account is the number of **units** multiplied by the **unit** prices on their **normal retirement date**.

We will use a different **unit** price if we have not received your **written instructions** and the documents described in section 5.4 before their **normal retirement date**. This will be the **unit** price for the working day we receive the last of these at our **administration headquarters**.

If any of the **units** in the **member's** account are in the FP With-Profits Sub-Fund, we may include an extra payment as a final bonus.

#### 5.3.2 If the member takes their pension benefits before or after their normal retirement date

The value of their account is the number of **units** multiplied by the **unit** prices for the working day we receive your **written instructions** and the last of the documents described in section 5.4 at our **administration headquarters**.

If any of the **units** in the **member's** account are in the FP With-Profits Sub-Fund, we may include an extra payment as a final bonus.

In some circumstances, we may also make a market value reduction to the value of those **units** in the FP With-Profits Sub-Fund. We describe this in section 12.4.1.

We would not make a market value reduction when the **member** takes their pension benefits at their **normal retirement date**.

### 5.4 What we need to support your claim for pension benefits

We will only pay the **member's** pension benefits when we have received evidence which we reasonably believe proves:

- their date of birth;
- their entitlement to receive the pension benefits;
- details of the other provider if you want the pension paid by another company; and
- the date of birth of the **member's** husband, wife, civil partner or **dependant** if a pension will continue to be paid to them when the **member** dies.

If we are given the wrong date of birth for a **member** when they join the **scheme**, we may change the amount of benefits we pay to reflect their actual date of birth.

### 5.5 Refunds of contributions

We will refund the value of the **member's** account if:

- the **member** leaves the **scheme**; and
- they are entitled to a refund of their own contributions under the **rules**; and
- the **member** chooses to take a refund; and
- a **transfer value** has not been paid into the **member's** account from another scheme; and
- the **member** does not choose to transfer the value of their account into another scheme.

We will pay the value of the **member's** account to you.

The value of the **member's** account is the number of **units** multiplied by the **unit** price for the working day we receive your **written instructions** and the last of any documents we need to make the refund. If there are **units** in the FP With-Profits Sub-Fund, we may make a market value reduction. We describe this in section 12.4.1.

## 6 What happens when a member dies before retiring?

The benefits we can pay when a **member** dies before they have received pension benefits from their account depends on:

- the value of their account which we describe in section 6.1; and
- the **rules**.

If we are due to pay a pension to the **member's** husband, wife, civil partner or **dependant**, you can buy this pension from us or another provider.

If you buy the pension from us, the amount of pension depends on:

- the value of the account;
- the type of pension; and
- our pension rates at that time.

There is a minimum amount of pension we will pay. Please ask us if you want details of the current minimum amount.

If you buy the pension from another provider, we will pay the value of the accounts direct to the other provider.

### 6.1 How we value the member's account

The value of the **member's** account is the number of **units** in their account multiplied by the **unit** price for the working day we receive written notice at our **administration headquarters** of their death. If the **member's** account includes **units** in the FP With-Profits Sub-Fund, we may include an extra payment as a final bonus.

### 6.2 What we need to support a claim for death benefits

We will only pay the death benefits when we have received evidence which, we believe, proves:

- the **member's** death;
- their date of birth;
- the identity of the person claiming the benefits and their relationship to the **member**;
- the date of birth of the **member's** husband, wife, civil partner or **dependant** if we will be paying him or her a pension; and
- how the benefits are to be paid.

If we are given the wrong date of birth for a **member** when they join the **scheme**, we may change the amount of benefits we pay to reflect their actual date of birth.

## 7 What happens when a member dies after retiring?

If the **member** dies after starting their pension, what we can pay depends on the type of pension chosen.

## 8 Surplus funds

When a **member** retires or dies, we will only pay benefits from the **plan** which are allowed under the **rules**.

We will refund to you any amount which cannot stay invested in the **member's** account to provide future benefits under the **rules**.

If we make a refund, we will take the number of **units** from the **member's** account which equal the value of the refund using **unit** prices for that day. If any of the **units** are in the FP With-Profits Sub-Fund, we may make a market value reduction. We describe this in section 12.4.1.

If any of the **units** in the **member's** account are in the FP With-Profits Sub-Fund, we may include an extra payment as a final bonus.

We will take the **units** from the **member's** account we make the refund from.

## 9 What happens if we pay the pension or death benefits late?

If the **member** is taking their pension benefits and we pay the benefits after the **pension date**, or we pay the death benefits later than the day after we receive written notice at our **administration headquarters** of the death, then the following will apply:

- If the **member** is retiring, any interest we pay will be from the date we receive the last information and documents we need to pay the benefits to the date we pay them.
- If the **member** dies, any interest we pay will be from the day after we receive written notice at our **administration headquarters** of their death to the date we pay the death benefits.
- The amount of interest will depend on the Bank of England base rates in place at the time.
- We will take income tax from the interest before we pay it, in line with current tax law.

We will not pay interest if it is below our minimum level. Please ask us if you want details of our current minimum level.

We will not pay interest for any period of delay as described in section 12.4.2 but in such circumstances we will value the **units** using the **unit** prices which apply immediately after the end of any period of delay.

### 10 Transferring the value of a member's account to another scheme

#### 10.1 About transferring

You can transfer the value of a **member's** account to another registered pension scheme or a qualifying recognised overseas pension scheme, as allowed by the **rules**.

There are regulations and **HMRC** rules about transferring. We will only agree to transfer the value of a **member's** account if everyone involved keeps to those rules and regulations.

#### 10.2 How we work out the value of the member's account

We multiply the number of **units** in the **member's** account by the **unit** prices for the working day we receive, at our **administration headquarters**, the last of the documents and information we need to transfer the account. In some circumstances we might reduce the value of **units** in the FP With-Profits Sub-Fund by making a market value reduction. We describe this in section 12.4.1.

If the **member's** account includes **units** in the FP With-Profits Sub-Fund, we may include an extra payment as a final bonus.

#### 10.3 Instructing us to transfer the value of a member's account to another scheme

When we receive your instructions to transfer the value of the **member's** account, we will send you a form showing the value of the account and telling you what to do. Once we have made the payment to the other registered pension scheme or a qualifying recognised overseas pension scheme, the **member's** account finishes.

We don't take charges for transferring the value of the **member's** account to another registered pension scheme or a qualifying recognised overseas pension scheme, unless we have sent you an endorsement showing we do or your illustration shows we do.

### 11 What happens if the scheme is not registered with HMRC?

We will not accept any contributions until the **scheme** is registered with **HMRC**.

We will not accept any further contributions if:

- **HMRC** refuse to register the **scheme**; or
- **HMRC** withdraw registration.

We will have the right:

- to pay the proceeds of the **plan** to you; and
- to take any tax from the proceeds of the **plan** which we may have to pay as a result of **HMRC** refusing to register the **scheme** or withdrawing registration.

#### 11.1 How we will work out the proceeds of the plan?

We will work out the proceeds of the **plan** by multiplying the number of **units** in the **plan** by the **unit** prices for the day we make the refund. If there are **units** in the FP With-Profits Sub-Fund, we may make a market value reduction. We describe this in section 12.4.1.

If any of the **units** in the **plan** are in the FP With-Profits Sub-Fund, we may include an extra payment as a final bonus.

### 12 Changed circumstances

#### 12.1 Increasing the annual management charge or the percentage of the contribution we take as charges

We may increase the annual management charges referred to in section 4.9. We may also increase the percentage of the payment we take as charges referred to in section 4.2 for future contributions or **transfer values**.

The circumstances that could lead to an increase in the annual management charge and/or an increase in the percentage of payment we take are an increase in the percentage of the **fund** required to cover the costs and expenses of the **fund** and the **plan** and increases in costs and expenses resulting from future changes. These costs and expenses are in addition to those explained in section 4.9. Future changes in costs and expenses could result from:

- a change in the tax rules, legislation or regulation or the way such rules are interpreted or applied in practice; or

- our staff or overhead costs increasing; or
- increases in the costs of administration, or increases in the costs of external fund managers.

The increase in the annual management charge and/or percentage of payment would reflect such increase in costs and expenses of the fact that they represent a higher percentage of the value of a **fund**. If this happens we will write to you to tell you of the change.

By reserving the right to make increases to the annual management charge and/or percentage of payment we are also able to maintain the capital we are required to keep by the Prudential Regulation Authority at a level which would avoid having to apply generally higher charges to the **plan**.

If we do this, we will set the new rates at levels which we reasonably believe are necessary to reflect the changed circumstances.

We will give you three months' notice before we increase the annual management charges.

We will give you six months' notice before we increase the percentage of the payment we take as charges.

We will send the notice to you by email to the last email address we have on our records or by post to the last postal address we have on our records.

The notice will tell you the date from which the change will take place.

During the notice period, you can:

- stop making contributions, without paying any extra charges, as described in section 2.1; or
- transfer the value of your **plan** to another registered pension scheme or a qualifying recognised overseas pension scheme, as described in section 10.

## 12.2 Other changes to charges

We reserve the right to make changes to, or apply new, charges at any time. There are a number of circumstances that could lead to a change in charges. These are a change in our costs or expenses as a result of a change in the tax rules, legislation or regulation or the way such rules are interpreted or applied in practice or that our staff or overhead costs increase, or there are increases in the costs of external fund managers. The change in charges would be reasonable and proportionate to such change in costs and expenses. If this happens we will write to you to tell you of the change.

## 12.3 When we may make changes to the plan

- a We reserve the right from time to time by giving you three months' written notice, so far as it is practicable to do so, to make such changes or additions to these terms and conditions as are reasonably required to reflect:
- changes in applicable pensions, tax or other law, legislation, regulation or industry codes of practice which affect your **plan**;
  - changes in how the London Stock Exchange or other relevant investment or regulated markets may work which may impact on the operation of your **plan**;
  - changes in investment/share dealing administration or other infrastructure facilities, systems or means of communication which impact on the provision and operation of your **plan** and which are outside of our control;
  - changes to services relating to your **plan** supplied to us by third parties which are outside of our control or which require additional expenditure by us;
  - changes in circumstances of the happening of any event which is outside of our control which means that the **plan's** terms and conditions operate in a way which is unfair to you or our other policyholders;
  - changes resulting from the introduction of new systems, services, and changes in technology outside of our control;
  - changes in circumstances or the happening of any event which is outside of our control and which makes it impossible, impracticable or economically unviable for us not to make a change to the terms and conditions, provided that any such change is not unfair to you or any of our other policyholders;
  - changes required to remedy obvious errors
- b We reserve the right from time to time to make changes or additions to these terms and conditions for any other reason, which may or may not have a detrimental effect on you, and which are not set out in (a) above. If you suffer a material detriment as a result of a change or addition under this paragraph (b) you may notify us and you will be free to transfer your **plan** to another registered pension scheme or a qualifying recognised overseas pension scheme. We will waive any transfer out fees and charges provided that the transfer is made within three months (or such longer period as may

be reasonably necessary in the circumstances) from the date on which we gave you written notice of the change or addition.

The change will take place from the date we tell you.

### 12.4 Changed circumstances affecting transfer payments, refunds, pension benefits and switching

#### 12.4.1 When we will make a market value reduction

In some circumstances, we may make a market value reduction to the value of the **units** in a **member's** account which are invested in the FP With-Profits Sub-Fund. This will be when we carry out your request for a transfer payment, to switch **units** out of the FP With-Profits Sub-Fund or to pay the **member's** pension benefits or when we make a refund, as described under section 5.5. We will tell you that we will reduce the value of the **units** before we carry out your request or make the refund. We will not reduce the value of these **units** when a **member** dies or takes their pension benefits at their **normal retirement date**.

We will make the market value reduction by reducing the value of these **units** to the approximate value of their share in the assets of the FP With-Profits Sub-Fund.

We will only make a reduction if we believe it is necessary to protect the interests of other with-profits policyholders in the FP With-Profits Sub-Fund.

An example is where the value of the investments in the **sub-fund** has fallen significantly.

#### 12.4.2 When we will delay paying a transfer or refund, switching, or paying pension benefits

In some circumstances, we may delay carrying out a request to pay a transfer or a refund or to switch **units** or to pay the **member's** pension benefits. We will tell you that there will be a delay before we carry out the request. We will not delay paying benefits when the **member** dies or takes their pension benefits at their **normal retirement date**.

We may, as a result of:

- the closure of, or suspension of dealings on, a main stock exchange; or
- any period when assets cannot be valued or sold or it is impracticable to do so or they cannot be sold without a significant reduction in price; or
- circumstances outside of our control such that continued dealing in **units** may not be fair to all potentially affected policyholders; or

- during a breakdown in any system of communication (including computer systems) used in determining the price or value of the assets of a **fund** or the current prices or values on any market or stock exchange;

at any time suspend temporarily, or delay for such period as may reasonably be required, the valuation, allocation, switching, surrender or any other dealings with the **units** in or valuation of any **fund**.

We will do this for as long as it is impractical to allow dealings and generally fair to planholders whose **plans** are invested in the **fund**.

We will value the **units** using the **unit** prices which apply immediately after the end of the period of delay.

If you have **units** in a **fund** which is invested in property, the delay will be up to six months. Otherwise, it will be for up to one month.

We may extend these periods:

- to match any period of postponement, deferment or suspension imposed by the managers of a collective investment scheme or other entity in which the **fund** has holdings; or
- for as long as any such scheme or entity is in the process of being wound up.
- where due to exceptional circumstances we reasonably consider that it is in the interests of planholders whose **plans** are invested in the **fund** to do so.

## 13 What happens if the scheme is wound-up?

We will not accept any further contributions or **transfer values** if the **scheme** is wound-up as described in the **rules**.

The value of each **member's** account will be used to provide benefits according to the **rules**. We will not pay any benefits under the **rules** which have not been secured under the **plan**.

## 14 Accounting for tax

Payments from this **plan** will be subject to any tax deductions required by **HMRC**. The **scheme** administrator described in the **rules** will be accountable to **HMRC** for any tax that is due to be deducted.

**Aviva Life & Pensions UK Limited.**

Registered in England No. 3253947. Registered office: Aviva, Wellington Row, York, YO90 1WR.  
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority  
and the Prudential Regulation Authority. Firm Reference Number 185896.

**Telephone 0345 602 9189 – calls may be recorded.**      **[www.aviva.co.uk](http://www.aviva.co.uk)**

