

Free Standing Additional Voluntary Contributions Plan from Standard Life

keyfacts®

KEY FEATURES

The Financial Services Authority is the independent financial services regulator. It requires us, Standard Life, to give you this important information to help you to decide whether our Free Standing Additional Voluntary Contributions Plan is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

Its aims

- To offer you a way of increasing the benefits you receive from an employer's occupational pension scheme.
- To build up a sum of money in a tax efficient way, which will buy you a pension when you retire.
- To provide a regular income for your dependant(s), if you choose, on your death after retirement.
- To provide a lump sum for your dependant(s) on your death before retirement.

Your commitment

- To make regular payments into the plan, usually until your Normal Retirement Date, or to make a single payment into the plan.
- To let the plan build up until you choose to start taking a pension, and then use it to provide your pension.
- To tell us if you stop being eligible to receive tax relief on your payments.
- You cannot cash in this plan at any time.

Risks

- What you get back when you retire isn't guaranteed. Your pension may be lower than illustrated. This could happen for a number of reasons, for example if:
 - you stop paying into your plan or take a payment break
 - the performance of the fund(s) you have chosen is lower than illustrated
 - interest rates when you retire are lower than illustrated
 - you start taking your pension before your normal retirement date
 - tax rules or legislation change
 - our charges increase in the future.
- Your plan may invest in different types of investments, including investments based on stocks and shares, which carry different levels of risk. The value of your investment can fall as well as rise and you may get back less than you pay in.



- If you decide to invest in a property fund, you should be aware that property can be difficult to sell, so you might not be able to sell your investment when you want to. In exceptional circumstances, it could take up to six months. The valuation of property is generally a matter of a valuer's opinion rather than fact.
- If you start the plan with a single payment and cancel during the 30 day cancellation period, you may get back less than you've paid in. This is because we may make a deduction to reflect any market loss we have experienced between the date we received your payment and the date we received your instruction to cancel.

Questions and Answers

What is a Free Standing Additional Voluntary Contributions (FSAVC) Plan?

- It is a savings plan that allows members of their employer's occupational pension scheme to increase their retirement benefits in a tax efficient way.
- This is achieved by making additional regular payments, or by making single payments.

Are there any alternatives to an FSAVC Plan?

- Yes. You can make Additional Voluntary Contributions (AVCs) under your employer's pension scheme.
- The charges under an FSAVC may be greater than the charges under your employer's AVC scheme. Also, under some AVC arrangements, employers match your payments up to a given level.
- However, an FSAVC offers more privacy and may give you greater control over how your funds are invested than your employer's AVC arrangement. You can also keep the same plan if you change jobs.
- You can also save for retirement in a personal pension such as a stakeholder or other personal pension plan even if you are a member of an employer's occupational pension scheme. Please ask your financial adviser or your nearest Standard Life office for more details.

Am I eligible?

- You are not eligible if you have reached your normal retirement date under your employer's occupational scheme.

How flexible is it?

- You can make regular payments monthly or yearly, and make single payments at any time.
- You can change the amount of your regular payments at any time, subject to the minimum payment amount of £40 per month gross.
- Regular monthly payments are made by direct debit. Annual payments can be made by direct debit or cheque and single payments can be made by cheque.
- You can stop paying or take a payment break, and restart later if your circumstances change. Be aware that this will reduce your future pension.
- If you change employer or become self-employed you can continue to pay into the plan.

What might I get when I want to retire?

- Your final plan value will depend on:
 - how much is paid in
 - how long the payments are invested for
 - the performance of the fund(s) you have chosen
 - our charges (see 'What are the charges?')

- Your final plan value will be used to buy a pension, which is an income for the rest of your life, from us, another pension provider or registered pension scheme. The amount of pension will depend on a number of factors at the time, for example:
 - interest rates
 - your age and state of health
 - life expectancy rates
 - the type of pension you choose.

What choices will I have when I want to retire?

- You must normally take the proceeds of your plan at the same time as the pension from your employer's scheme begins.
- You can use all of your plan to buy a pension, which is taxable. Or you can normally take up to a quarter of the plan value as a tax-free lump sum and a smaller, taxable, pension.
- You can choose a pension that stays the same each year, or one that increases each year.
- You can choose a smaller pension for yourself so that you also provide a pension for your husband, wife, civil partner or dependant(s) after you die.
- You can buy your taxable pension from any pension provider or registered pension scheme.

How much can be paid into my plan each year?

- The minimum payment you can make is £40 per month or £400 per year including tax relief. Regular payments are usually made by direct debit.
- The minimum single payment when regular payments are being made is £500 including tax relief, or £1000 including tax relief if no regular payments are being made. Single payments can be made by cheque at any time.
- In each tax year, if you are a 'relevant UK individual' you can pay:
 - up to £3,600 (including tax relief) regardless of your earnings, or
 - up to 100% of your relevant UK earnings for that year (including tax relief).

Relevant UK earnings are the taxable annual income and any bonuses, commission or benefits in kind that you receive from employment or self employment.
- These limits are set by HM Revenue & Customs and apply to the total payments made by you and any third party to all your pension arrangements. These limits do not apply to payments made by your employer. A tax year runs from 6 April in one year to 5 April in the next year.
- You are a 'relevant UK individual' if:
 - you are resident in the UK for tax purposes, or
 - you have relevant UK earnings, or
 - you were a UK resident sometime in the previous five tax years and when you joined, or
 - you have, or your husband, wife or civil partner has, earnings from overseas Crown employment subject to UK tax.

What about tax?

- You'll get tax relief on payments normally at your highest Income Tax rate. We'll claim the tax relief for you at the basic-rate from HM Revenue & Customs and invest it in your plan. If you're a higher-rate tax payer, you'll need to claim the extra tax relief through your tax return.
- HM Revenue & Customs has an Annual Allowance for the total payments that you, your employer and any third party can make to all your pension arrangements. This allowance is £235,000 for the 2008/09 tax year. You will pay a tax charge on any payments that exceed this limit. If you think you will be affected by the Annual Allowance, you may wish to seek financial advice.
- The funds you invest in grow free of UK Capital Gains Tax.
- You can normally take some of your fund as a tax-free lump sum when you convert the plan into a pension.
- HM Revenue & Customs has a Lifetime Allowance on the total funds in pension arrangements that can be used to provide benefits to you. This allowance is £1.65 million for the tax year 2008/09. Any funds over this allowance will be liable to a tax charge of 55% for a lump sum, or 25% if taken as a pension. There are circumstances where you can apply for a personal Lifetime Allowance that's higher, speak to your financial adviser for more details.
- Your pension will be taxed in the same way as your earned income.
- Your dependants won't normally have to pay tax on any lump sum they receive if you die before you retire. However, if any part of the lump sum exceeds your Lifetime Allowance, that part will be taxed at 55%.
- Tax and legislation may change. The value of tax relief will depend on your financial circumstances and may change in the future. The information we've given is based on our understanding of law and HM Revenue & Customs practice when we published this document.

Where are my payments invested?

- We offer a range of investment-linked pension funds for you to choose from.
- You can switch your funds in and out of the funds on offer to change the mix of investments, though there may be restrictions on doing this.
- You can invest in 12 funds at any one time, up to a maximum of 20 different funds over the term of your plan.
- If you choose our investment-linked funds, the price to buy or sell one unit in each fund depends on the value of the investments that make up the fund. Your plan value is based on the total number of units you have in each fund and the unit price at the time. If the unit prices rise or fall, so will your plan value.
- As well as offering a range of funds, we offer a facility called Lifestyle Profiles. This facility allows us to automatically switch your funds into funds with lower levels of risk as you get closer to retirement. For more information about this facility please contact us or speak to your financial adviser.
- You cannot combine a Lifestyle Profile with investments in any other investment funds.
- For more information about investing in our investment-linked funds, please ask your financial adviser or your nearest Standard Life office for a copy of our 'Description of Pension Funds' leaflet GEN12.
- We invest a minimum of 101% of each regular payment.
- For single payments, we invest:
 - 102% for the first £1,500
 - 103% for the next £23,500
 - 104% for the excess over £25,000.

What are the charges?

- We make the following charges for managing your plan:
 - For investment-linked funds, a Fund Management Charge which is for the management of your funds and for our costs, including any commission payable. The charge is taken from your fund each day before we calculate the unit price. We charge 0.625% a year of the value of your investments. For example, if your investments are valued at £800 throughout the year, we deduct £5 for that year. If your investments are valued at £12,000 throughout the year, we deduct £75 for that year. This charge is shown on your personal illustration.
- When you buy units in your fund we use the 'offer price' to work out how many units your payment will buy. We use the 'bid price' to work out how much your units are worth when they are sold. We currently charge 5% of each payment you make. This means that the bid price is 5% less than the offer price.
- We will not normally make a charge for switching funds, however if more than 20 switches have been requested in the previous 12 months, we reserve the right to charge for switches.
- If you have life cover, it is paid for by cancelling units in your fund each month at the bid price.
- Be aware that we'll continue to take charges each year even if you stop making payments. This could mean that if you stop making payments and don't restart them, our charges could reduce your plan value by the time you retire.
- We can increase the charges we make. We may do so in the future if our costs are higher than originally expected. This might happen if, for example:
 - tax rules change
 - our staff or overhead costs are more than we expected
 - our income from charges is less than we expected.

What benefits can I choose?

- Life cover is available if you are making regular payments into the plan and have not reached your Normal Retirement Date. There are two types of life cover to choose from:
 - Minimum Death Benefit: this provides your dependant(s) with a specified lump sum or the value of your pension fund, whichever is greater.
 - Additional Life Cover: this provides your dependant(s) with a specified lump sum in addition to the value of your pension fund.
- If you stop paying into your plan your life cover will also stop.

What happens if I change my employer?

- If you change employer or become self-employed you can continue to make payments to your plan.
- Alternatively, you can pay any transfer value that may be available under your plan directly into your new employer's scheme.
- You cannot cash in your plan.

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

- We'll pay the plan value at the date of your death and any life cover you have taken out.
- We'll normally pay the plan value to your husband, wife, civil partner or dependant(s) as a lump sum.
- Life cover can be paid in one or more of the following ways:
 - as a lump sum to your husband, wife, civil partner or dependant(s)
 - as a pension for your husband, wife or civil partner
 - as a pension for your dependant(s).

Can I transfer my plan?

- You can normally transfer the value of your pension benefits to another pension provider or a registered pension scheme at any time before you start taking your pension. We make no transfer charge.

Can I change my mind?

- You have a legal right to cancel your contract if you change your mind. You have a 30 day period to consider if you want to change your mind. This 30 day period starts from the date you receive the Acceptance Notice. During this period, if you decide you want to cancel, you should write to us at the address shown in the 'How to contact us' section, instructing us to cancel the contract. Please make sure that you include your plan number in any correspondence with us.
- If you start the plan with a single payment and cancel during the 30 day period, you may get back less than you paid in. This is because we may make a deduction to reflect any market loss we have experienced between the date we received your payment and the date we received your instruction to cancel.
- If you decide to cancel, and we have already received payment, we will refund the payment to the person who made it.
- Please note, for regular payments, it is only the initial payment that you choose to make that will have cancellation rights. If you decide to increase the level of payment in the future you will not have the right to cancel that increase.
- At the end of the 30 day period you will be bound by the terms and conditions of the plan and any money received by Standard Life will not be refundable under the cancellation rule.

How will I know how my plan is doing?

- We will register you for our online service and send you a user id and password so that you can check your plan details on our website – www.standardlife.co.uk
- We will send a yearly statement to show how your plan is doing.
- You can get an up-to-date valuation by calling our customer helpline.

How to contact us

- Remember, your adviser will normally be your first point of contact.
- If you have any questions or would like to make any changes to your plan, you can phone us. We may record/monitor calls to help improve our service.

Phone: 0845 60 60 012 (call charges may vary).

- You may prefer to contact us by fax, email or in writing.

Fax: 0131 245 3224

e-mail: individual_ppp@standardlife.com

(We can't guarantee that we'll receive any e-mail sent, or that it hasn't been tampered with or intercepted during transmission.)

Write to us at:

Standard Life Assurance Limited
1 Exchange Crescent
Edinburgh
EH2 7RA
United Kingdom

Other Information

How to complain

- We have a leaflet that summarises our complaint handling procedures. If you'd like a copy, please ask us.
- If you ever need to complain, first write to us at the above address. If you aren't satisfied with our response, you may be able to complain to:

The Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR

Phone: 0845 080 1800

Fax: (020) 7964 1001

e-mail: complaint.info@financial-ombudsman.org.uk

Website: www.financial-ombudsman.org.uk

- Complaining to the Ombudsman won't affect your legal rights.

Terms and conditions

- This document gives a summary of Standard Life's FSAVC Plan. It does not include all the definitions, exclusions, terms and conditions. These can be found in the Member's Booklet. If you would like a copy of this, please ask your financial adviser or contact us direct.
- We have the right to change some of the terms and conditions. We will write and explain if this happens.

Law

- The law of Scotland will decide any legal dispute.
- The English language will be used in all documents and future correspondence.

Compensation

- The Financial Services Compensation Scheme (FSCS) has been set up to deal with compensation if firms are unable, or likely to be unable, to meet claims against them. For further information contact us on 0845 60 60 002 (call charges may vary).
- The amount of compensation available from the FSCS depends on the type of business and the circumstances of the claim. Further information is available from the FSCS website www.fscs.org.uk

About Standard Life

- Standard Life Assurance Limited's product range includes pensions and investments.
- Standard Life Assurance Limited is on the Financial Services Authority Register. The registration number is 439567.