

Group Additional Voluntary Contributions 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 Group Additional Voluntary Contributions Plan (GAVC) 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 away of saving for your retirement.
- To build up a sum of money in a tax efficient way, which will buy you a pension for life when you retire.

Your commitment

- To make payments into your plan, usually until your normal retirement date.
- To let the plan build up until you choose to take your benefits, and then to use it to buy your pension.
- You normally cannot cash in this plan at any time.
- To tell us if your circumstances change and you are no longer eligible to be an active member of the plan.



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 earlier than the retirement date shown in the illustration
 - tax rules or legislation change
 - our charges increase in the future.

In addition, for with profits investments, your pension may be lower than illustrated because of:

- increases in the deductions for our costs in the future
- the bonus rates we set
- any smoothing
- any adjustments we make to ensure fair treatment between those who choose to leave with profits and those who remain.

For more information about smoothing and investing in with profits please read the enclosed 'Understanding With Profits' booklet (UWP1NB). This document code can be found on the left hand side at the foot of the back page. This also applies to any other codes appearing in this document.

- 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 the plan is started with a single payment and the Trustees of your employer's occupational pension scheme exercise their right to cancel during the 30 day cancellation period, the amount returned may be less than the amount paid in. This is because we may make a deduction to reflect any market loss we have experienced between the date we received the payment and the date we received the instruction to cancel.
- If you invest in with profits, in certain circumstances we may increase the price of units when you make your investment or reduce the price of units when you leave with profits. If either or both of these happen, your benefits will be lower than they would otherwise have been. For more information about investing in with profits, please read the enclosed Understanding With Profits booklet (UWP1NB).

Questions and Answers

What is a Group Additional Voluntary Contributions (GAVC) Plan?

- It is a savings plan that allows you to save in a tax efficient way for your retirement. The plan lets you increase the benefits you receive from your employer's occupational pension scheme on retirement.

Am I eligible?

- You are eligible if you are at least age 16 and are currently a member of your employer's occupational pension scheme.

What alternatives are there to GAVC?

- A Stakeholder pension or a Free Standing AVC may meet your needs as well as this pension plan. Your financial adviser will be able to advise which pension plan is better for you.
- You can find more information on Standard Life's Stakeholder Pension in our 'Stakeholder Pension Plan Key Features Document' (SPP17). For a copy of this, please ask your financial adviser or nearest Standard Life office.

We do not offer a Free Standing AVC product.

How flexible is it?

- You can make regular monthly payments into the plan. These will be taken from your salary before tax and passed on by your employer to Standard Life.
- You can also make single payments at any time, and in some cases transfer your pension fund from another pension arrangement into your plan. We strongly recommend that you talk to a financial adviser if you want to make a transfer payment.
- Direct Debit and Web (using Contribution Payer) and Flexible Direct Debit are our preferred payment methods for all regular and irregular payments. All employee regular payments must be paid by the employer via salary deduction. For transfers from other providers we will accept payment by direct credit, telegraphic transfer or cheque.
- You can change the amount of your regular payments at any time, subject to:
 - our minimum payment level, and
 - any requirements set out by your employer.
- You can stop making payments at any time or take a payment break and restart them later if you are still eligible.
- Reducing or stopping your payments will result in a lower plan value and future pension. Standard Life can provide you with a personal illustration showing the effects of reducing or stopping your payments. We strongly recommend that you talk to your employer and a financial adviser before a final decision is made.

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 and discounts?’)

- in addition, for with profits investments, any discretionary adjustments, including any smoothing (please see 'What are the discretionary adjustments?'). We may make discretionary adjustments in determining fair payouts and this could result in a higher or lower value. Any such adjustments will not reduce your guaranteed benefits.

For more information about smoothing and investing in with profits, please read the enclosed 'Understanding With Profits' booklet (UWP1NB).

- 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 retire?

- You can use all of your plan value to buy a pension which will be taxable.
- You may be able to take part of the plan as a tax-free lump sum.
- You can choose:
 - a level pension of the same amount each year, or
 - a pension that increases each year at the rate of inflation, or
 - a pension that increases in the course of payment at a rate of your choice, up to a maximum of 8.5% each year.
- You can choose a smaller pension so that you also provide a pension for your husband, wife, civil partner or other dependant(s) after you die.
- You must normally (in line with the rules of your employer's occupational pension scheme) take the proceeds of your plan at the same time as the retirement benefits from your employer's occupational pension scheme become payable.
- 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 total of your payments and any your employer decides to make must be above our minimum levels. Details of the minimum payments are available from your employer. You should also read the 'What about tax?' section before deciding how much to pay.
- Your payments will be deducted from your salary by your employer who will then forward them to us. Your employer may also make payments to the plan on your behalf.
- If you have any other pension plans, you may be able to transfer their value into this plan, but there is no guarantee that you will increase your total pension by doing so. If you are considering making a transfer, we strongly recommend that you talk to a financial adviser.

What about tax?

- You'll get tax relief on the payments you make to all your pension plans, normally at your highest Income Tax rate. Your employer will deduct the payments from your salary before tax has been calculated.
- 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 of 40% 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.
- You may be able to take part of your fund as a tax-free lump sum before you convert the plan into a pension.
- The funds you invest in will grow free of UK Capital Gains Tax.
- 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 earned income.

- Your dependants won't normally have to pay tax on any lump sum they get 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 rules 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 here is based on our current understanding of law and HM Revenue & Customs practice when we published this document.

Where are the payments invested?

- The trustees of your employer's occupational pension scheme have selected the fund(s) which you can invest in. For more information, please ask your financial adviser or nearest Standard Life office for our 'Your pension investment choices' leaflet (GPEN4 for retail plans or GPEN5 for corporate plans).
- We offer a range of investment-linked funds and a with profits fund for the trustees to choose from. As well as the funds we run ourselves, we offer funds where external fund managers choose the investments.
- We invest 100% of each payment. Each fund is made up of 'units' and we use your payments to buy units in the fund(s) you choose.
- If you choose our investment-linked funds, the price to buy or sell one unit in each fund depends on the value of investments that make up the fund. Your plan value is based on the total number of units you have in each fund. If the unit prices rise or fall, so will your plan value.
- If you choose to invest in with profits then:
 - if your plan started before we demutualised on 10 July 2006 you are invested in one of
 - the Pension With Profits One Fund
 - the Pension Millennium With Profits Fund
 - the Pension 2 With Profits 2 Fund
 - if your plan started after we demutualised you are invested in one of
 - the Pension With Profits One 2006 Fund
 - the Pension Millennium With Profits 2006 Fund
 - the Pension 2 With Profits 2 2006 Fund.

Your New Membership certificate / Single Payment certificate and yearly statement will tell you which fund applies to your plan.

- If you are invested in with profits in a '2006' fund, deductions for the cost of guarantees (please see 'What are the charges and discounts?') may be different from those for other with profits funds: over time they could be higher or lower. In addition, you will not be entitled to any distribution from assets that existed before we demutualised.
- The assets backing with profits are a mix of investments such as equities (company shares), property, bonds (which are loans to governments or companies) and cash deposits. Quarterly information on the asset mixes for different classes of with profits investment is published on our website, www.standardlife.co.uk
- If you choose with profits we allocate you a number of units that represents your investment in with profits.
- With profits unit prices do not directly reflect the value of the underlying investments. Instead, the unit price may benefit from a regular bonus in the form of a daily increase. The regular bonus rate is a percentage of the unit price. This percentage may be zero. When we set regular bonuses we aim for a gradual build-up of guaranteed benefits. At the same time we aim to avoid limiting our investment freedom too much and so the potential final bonus.
- The with profits unit price is guaranteed not to fall unless a unit price reduction is applied. The unit value is equal to the number of units multiplied by the unit price. In addition to the unit value, we may pay a final bonus when units are cancelled, for example to buy a Lifetime Annuity, to switch out of with profits or to pay the death benefit. We use final bonus to make up any difference between your unit value and your fair payout. The level of final bonus may change over time, and may be zero.
- For more information about investing in with profits, including how we decide the bonuses and any unit price reductions, please read the enclosed Understanding With Profits booklet (UWP1NB).
- As well as offering these 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 please ask your financial adviser or nearest Standard Life office for a copy of our 'Lifestyle profiles' factsheet (GPEN41 for retail plans or GPEN41a for corporate plans).

- If you invest in a Lifestyle profile and you wish to combine this with another investment option, you can only combine it with investment in with profits. You cannot combine it with any other investment fund or Lifestyle profile.
- You can switch your payments in and out of various funds to change the mix of investments. You can only invest in 12 of our funds at any one time. The maximum number of different funds you can invest in during the term of your plan is 20.

What are the charges and discounts?

- We make the following charges for managing your plan:
 - For investment-linked funds, an Annual Management Charge which is for the management of your funds and for our costs, including any commission payable. The charge varies depending on the funds you choose to invest in and is taken from your fund each day before we calculate the unit price. The current yearly rate of this charge is shown on your personal illustration.
 - For investment in our with profits fund, there is no explicit management charge but we make deductions for our costs including an allowance for the assessed cost of guarantees provided by with profits business. These deductions may affect the proceeds you receive from your plan, although they will not reduce your guaranteed benefits.
- Additional expenses such as trustees', registrars', auditors' and regulators' fees may be deducted for certain Standard Life investment-linked funds which are linked to the funds of external managers. Where this charge applies, it is taken directly from the external fund and is included in the unit price. If applicable, this will be shown in the leaflet 'Your pension investment choices' (GPEN4 for retail plans or GPEN5 for corporate plans).
- Your personal illustration shows what you might get back in the future. It details our charges for investment-linked funds. It also shows the effect they and the deductions for our costs for investment in with profits may have on reducing the value of your personal pension over the term of your plan.
- If appropriate, the charge for any extra life cover is separate from your pension payment and is included in your personal illustration.

- If you are an existing member of a GAVC Plan on which we reduced the number of charges on 25 February 2002, 'value for money discounts' may apply. Where these apply they will be reflected in your personal illustration.
- 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.
- Changing the funds in which your plan is invested is known as switching. We will not normally make a charge for switching funds, however we reserve the right to charge for switches. We reserve the right to charge if a switch involves an externally managed fund and the manager charges us for the switch. We also reserve the right to make a charge when more than 20 switches are made in any 12 month period.
- We can increase the charges we make for investment-linked funds and the deductions for our costs for investment in with profits. 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 and deductions for costs is less than expected, or
 - for investment in with profits, our assessment of the cost of guarantees increases.

What are the discretionary adjustments? (For with profits investments only)

- We may make discretionary adjustments
 - in respect of smoothing
 - to ensure fair treatment between those who choose to leave with profits and those who remain.

For more information about smoothing and investing in with profits please read the enclosed 'Understanding With Profits' booklet (UWP1NB).

What other benefits can I choose?

- You can choose to buy extra life cover to increase the amount your plan pays out if you die before you start taking your pension. This extra life cover can be used to provide your dependants with an added lump sum and/or pension in the event of your death before retirement.
- The scheme trustees or your employer can ask us to provide life cover to increase the amount your plan pays out if you die before you retire.
 - Life cover is paid for by making extra monthly or yearly payments.
 - If you are joining a scheme that we changed the charging structure of from 25 February 2002 you may also have the option of paying for your life cover by cancellation of units from your fund each month.
- The cost of life cover depends on how much you choose to buy and your sex, age and health.
- When you apply for life cover you may have to answer some questions on your health and we may also contact your doctor for a report.
- If you stop paying into your plan your life cover will also stop.
- Your life cover must stop if you remain in service with your employer after your normal retirement date. No life cover is payable if you die on or after your 75th birthday.

What happens if I change job?

- If you stop working or move to a new job with another employer, or leave your employer's occupational pension plan, no further payments can be accepted. Your plan will, however, remain invested until retirement if no transfer payment is made. We'll continue to take charges each year which could reduce your plan value by the time you retire. Any additional life cover included in your plan will cease. The benefits payable are subject to the rules of your existing employer's occupational pension plan.

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

- We will pay out the plan value at the date of your death.
- If you have arranged for additional life cover to be included in the plan then a higher amount may be payable.
- You may also choose to use the plan value to purchase a pension for your dependants.

Can I transfer my plan?

- You can transfer your plan to another pension provider or registered pension scheme at any time before you start taking your pension. We make no charge for this. However if you have invested in with profits we may reduce the price of units in certain circumstances. For more information about investing in with profits, please read the enclosed 'Understanding With Profits' booklet (UWP1NB).
- Your personal illustration gives examples of how much you could transfer to another plan depending on when you transfer.

Can I change my mind?

- The Trustees of the plan have a legal right to cancel the contract. They have a 30 day period to consider if they want to change their minds. This 30 day period starts from the date they receive the plan documents. During this period, if they decide to cancel, they should write to us at the address shown in the 'How to contact us' section, instructing us to cancel the contract.

- If you change your mind after your application has been accepted you should discuss this immediately with your employer/the Trustees in the first instance.
- If the plan is started with a single payment and cancelled during the 30 day period, the amount returned may be less than the amount paid in. This is because we may make a deduction to reflect any market loss we have experienced between the date we received the payment and the date we received the instruction to cancel.
- If the plan is cancelled, and we have already received payments, we will refund the payments to the person who made them.
- Please note, for regular payments, it is only the initial payment that will have cancellation rights. If you decide to increase the level of payment in the future there is no right to cancel that increase.
- At the end of the 30 day period the Trustees 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?

- You may be able to register at our website – www.standardlife.co.uk – to see your plan details including the current value.
- We will send you a yearly statement to show you how your plan is doing.
- You can also get an up-to-date valuation at any time by calling our customer helpline.

How to contact us

- Remember, your employer and/or financial 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.

Call us on **0845 60 60 086**. (Call charges may vary.) We may record/monitor calls to help improve our service. Please have your plan number ready when calling.

E-mail us at: gavc&rap_service@standardlife.com

Warning: there is no guarantee that any e-mail sent, will be received or will not have been tampered with or intercepted during transmission. You may prefer to contact us by phone or in writing.

Write to us at:

Group Pensions
Standard Life Assurance Limited
Standard Life House
30 Lothian Road
Edinburgh
EH1 2DH
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 address on the previous page. If you are not satisfied with our response, you may be able to complain to:

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

Telephone: 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 will not affect your legal rights.

Terms and Conditions

- This Key Features Document gives a summary of Standard Life's Group Additional Voluntary Contributions Plan. It does not include all the definitions, exclusions, terms and conditions. If you would like a copy of these, please ask your financial adviser or contact us direct.
- We have the right to change some of the terms and conditions. We will write to you 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.
- 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 at 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.