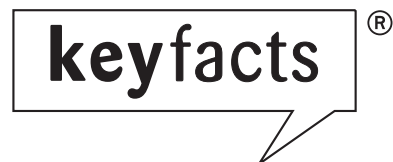


**This is an important document.
Please read it and keep for future reference.**



Key features of the Pension Fund Withdrawal Plan

(set up by a transfer of contracted-out funds)

from Standard Life



keyfacts[®]

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 Pension Fund Withdrawal Plan (PFWP) is right for you. If you're a new customer you should read this document carefully so that you understand what you're buying. If you're an existing customer you should read this document to help you with any changes you might be making to your PFWP. Please keep it safe for future reference.

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Helping you decide

This key features document will give you information on the main features, benefits and risks of the Standard Life PFWP.

A personal illustration is also enclosed. It will show you the benefits you may get in the future.

Your key features document and personal illustration should be read together.

You can only buy this product through a financial adviser. Your financial adviser will give you advice and answer any questions you may have. Our Customer Centre will always be happy to answer any of your questions or give you more information but they can't give you financial advice. Our contact details can be found on page 14.

Other documents you should read

SLIP Pension Fund List (SLSIP5C)

A guide which gives you details of the funds you can choose to invest in.

Policy Provisions (PFWP63)

Provides full details of the terms & conditions that apply to this plan.

Your financial adviser can provide you with these documents.

1. Its aims

- To provide a tax-free lump sum and a regular income when you retire.
- To give you control over your investments.
- To give you choice over how and when you take your retirement benefits.
- To allow you to take a regular income from your fund, while still remaining invested.
- To provide a regular income for your spouse or civil partner on your death, or a lump sum if you're not survived by a spouse or civil partner.

2. Your commitment

- To transfer contracted-out funds to the plan that meet our product minimum.
- To wait until you're at least 50 before taking your benefits (this is changing to age 55 from 6 April 2010.)
- To take your tax-free lump sum and income within the limits set by HM Revenue & Customs.
- To regularly review your PFWP to check it's meeting your needs now and for the future.
- To buy an annuity before age 75.

3. Risks

This section is designed to tell you about the product risks that you need to be aware of at different stages of the plan.

At the start of the plan

If you change your mind and want to cancel the plan, the amount we return may be less than the amount we received. See 'Can I change my mind?' on page 12 for more information.

You're transferring benefits from another pension scheme and there's no guarantee that what you'll get back from the PFWP will be higher. You may also be giving up rights in the other pension scheme.

Investment

Investment funds can vary in their level of risk and their value can go up or down. What you'll get back depends on the investment performance of the funds you choose to invest in and is not guaranteed.

Some investments (such as property) may take longer to sell. You'll need to take this into account when reviewing your investments or when planning to take your benefits

Taking an income

Taking an income is usually only suitable if you have a pension fund of £100,000 or over (including the value of your Self Invested Personal Pension Plan), or have other assets or income to live on. If your pension fund is less than £100,000, you need to decide if this is the right choice for you.

How your investments perform can have an impact on the amount of income you can take.

If the income you withdraw is higher than the plan's investment growth, the value of the plan could reduce.

Buying a pension

Your pension may be lower than shown in your personal illustration. This could happen for a number of reasons, for example if:

- investment performance is lower than illustrated
- annuity rates when you retire are lower than illustrated
- tax rules and legislation change
- plan charges increase above those illustrated
- payments into the plan are lower than illustrated
- you buy your pension at a different age from the age you asked us to use in your illustration
- you decide to take a level of income which is higher than we have illustrated.

4. Questions & answers

This section will help answer questions you may have. We start with some general questions and then cover payments, investment choices, benefits at retirement, tax, charges & discounts, and ways for you to pay your adviser. We end the section with 'Other important questions' on page 12.

What is a PFWP?

The PFWP is designed to accept transfers of contracted-out funds built up under other pension schemes or policies and is aimed at people looking for flexibility in their retirement income.

Contracted-out funds include Protected Rights (PR), Guaranteed Minimum Pension (GMP) and Section 9(2B) Rights.

Taking your benefits – how flexible is it?

You'll have lots of choices when you're ready to take your benefits from your plan. You can choose from an income, or a pension. You can also take a tax-free lump sum. See page 8 for more information.

Can I take out a PFWP?

You can take out a PFWP if you're under age 75 and resident in the UK.

If you're resident overseas, you may be eligible to make a transfer payment from a UK scheme into this plan but it all depends on the country in which you're resident. Speak to your financial adviser for more details.

Is this a Stakeholder pension?

This plan is not a Stakeholder pension. Our minimum payment is higher and charges can be higher than the government Stakeholder standards. Stakeholder pensions may meet your needs as well as this PFWP.

Your financial adviser will be able to advise which pension plan is more suitable for you.

What should I consider when transferring benefits from another pension scheme?

You need to think about things such as:

- can this PFWP match the benefits you're giving up?
- are there any early retirement or ill health considerations?
- what level of benefits do you want to provide for your dependants?

Can I cash in my plan?

You can't cash in your plan at any time.

Should I seek advice?

It's essential that you take financial advice and continue to do so during the lifetime of the plan.

4.1 What payments can be made?

What are the PFWP minimum payments?

If you have a Standard Life Self Invested Personal Pension (SIPP), then the minimum transfer payment is £10,000. If you do not have a SIPP, the minimum transfer payment is £50,000.

Payment Methods

Transfers from other providers can be paid by cheque or telegraphic transfer.

How much can be paid into my plan each year?

There is no minimum amount for any additional transfer payments to an existing plan.

4.2 What are my investment choices?

You have a wide range of investment-linked funds to choose from. We also offer a range of externally managed funds to increase this choice.

Investment-linked funds are made up of 'units':

- Your payments are used to buy units in the funds you choose.
- The price of one unit in each fund depends on the value of the underlying investments.
- The value of your investment is based on the total number of units you have in each fund. If the unit prices rise or fall, so will the value of your investment.

Who will manage my investments?

You can make investment decisions on your own or with a financial adviser.

If you need more information, please ask your financial adviser for a copy of our 'SLIP Pension Fund List' (SLSIP5C).

Other information about investments

You can change investments at any time.

It's important to regularly review your investments.

4.3 What benefits can I take at retirement?

You can:

- buy a pension (known as an annuity)
- take an income (known as income drawdown).

With these options you may also have the opportunity to take a tax-free lump sum.

Whatever option you choose, the income and tax-free lump sum taken can't be more than the limits set by HM Revenue & Customs.

Taking your retirement benefits

You can start taking retirement benefits from age 50 (changing to age 55 from 6 April 2010).

Normally, retirement benefits will only be payable before age 50 on grounds of ill health. If your current state of health gives you cause for concern you should speak to your financial adviser before making any decisions about your retirement benefits.

Tax-free lump sum

You can take up to 25% of your plan as a tax-free lump sum. But you don't have to take a tax-free lump sum if you don't want to. You'll then use the rest of your plan to buy a pension or to take income drawdown.

Any tax-free lump sum must be taken before age 75 or you'll lose this option.

Buy a pension (annuity)

This means that you pay your pension fund to an insurance company of your choice, who will in return pay you a pension for the rest of your life.

When you decide to buy a pension it will be bought using the annuity rates at that time.

Take an income (income drawdown)

As an alternative to buying a pension, you can take an income from your fund. Careful consideration should be taken before you take an income (See 'Risks' on page 5).

To start taking an income from your plan, the plan value must be at least:

- £50,000 if you haven't taken your tax-free lump sum, or
- £37,500 if you have taken your tax-free lump sum.

The above minimums apply to the combined values of both the SIPP and PFWP plans.

Income drawdown

With this option you'll have the freedom to choose, and change, the level of income you take.

You can choose an income anywhere between the minimum and maximum limits allowed (it's HM Revenue & Customs that set these limits).

You can even choose to take an income of £0 and just take your tax-free lump sum.

The limits that apply will depend on your age, sex and the returns from Government securities, and are calculated from the Government Actuary's Department (GAD) tables. We recalculate the limits that apply to you at least once every five years.

Safeguarded Rights

Safeguarded Rights are contracted-out funds received from an ex-spouse on divorce or an ex-civil partner on dissolution of the partnership.

No tax-free lump sum is available from Safeguarded Rights and you cannot take any benefits from Safeguarded Rights before age 60.

4.4 What about tax?

Capital Gains Tax

The funds you invest will grow free of UK Capital Gains Tax.

Lifetime Allowance

HM Revenue & Customs has a lifetime allowance on the total funds in pension plans that can be used to provide benefits for you.

This allowance is £1.65 million for the tax year 2008/09, increasing in stages to £1.8 million by 2010/2011.

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 in which you can apply for a personal Lifetime Allowance. Speak to your financial adviser for more details.

Tax-free lump sum

You can take up to 25% of your plan as a tax-free lump sum.

However you could face a tax charge if you 'recycle' your tax-free lump sum. See our fact sheet 'Recycling of lump sums' (GEN449) for more information.

Income Tax – pension & income payments

Any income you take from the fund, or pension you buy, will be taxed as earned income under normal pay-as-you-earn (PAYE) rules.

Tax – death benefits

If you die before 75 and before taking any benefits from your plan, any lump sum paid out on your death that exceeds your remaining Lifetime Allowance will be taxed at 55%.

If you die before age 75 during income drawdown, any lump sum paid from your drawdown fund will be taxed at 35%.

Please ask your financial adviser to talk you through our 'A Guide to Death Benefits' (SLSIP11).

Other information about tax

A tax year runs from 6 April in one year to 5 April in the next year.

Tax rules and legislation may change.

The value of tax relief may change and will depend on your financial circumstances. The information we have given is based on our understanding of law and HM Revenue & Customs practice when we published this document.

4.5 What are the charges & discounts?

This section shows you the main charges and discounts that apply. It should be read together with our SLIP Pension Fund List (SLSIP5C) and your personal illustration. It may also be helpful for you to refer back to page 7 for a reminder of investment terms used in this section.

Charges under the PFWP vary depending on the type of fund you choose. If you have a combination of different funds then more than one charge may apply.

Charges

Fund Management Charge

This is for the management of your funds and for our administration costs. The charge varies depending on the funds you choose to invest in.

You can find details of each fund management charge in our 'SLIP Pension Fund List' (SLSIP5C).

This lists funds available to PFWP and SIPP customers. SLIP is simply a reference for SIPP customers and is not relevant to PFWP customers.

Additional expenses

Fund managers may charge an additional expense to cover costs such as fees for trustees, registrars, auditors, and regulators. This charge is likely to vary.

Details of the current additional expenses for each fund can be found in our 'SLIP Pension Fund List' (SLSIP5C).

Discounts

If your plan value is large, we'll reduce the effect of the fund management charge by adding extra units each month to the funds you're invested in.

The extra units are calculated on the value of your plan at a yearly rate of:

- 0.3% if your investment is between £50,000 and £249,999
- 0.4% if your investment is between £250,000 and £499,999
- 0.5% if your investment is £500,000 or more.

Other information about charges

Our charges are not guaranteed. We regularly review them and they may be increased.

Your personal illustration shows our charges and the effect they have on reducing the value of your investments over the term of your plan.

4.6 How can I pay my financial adviser?

This section shows you the types of commission available to pay your financial adviser.

Your personal illustration will show the commission options you have chosen. It will also show what charges may apply and the effect they could have on reducing the value of your investment(s) over time. You should speak to your financial adviser in the first instance if you have any questions.

When we talk about the 'current value' below, we mean the value of your payment(s) at the time we collect the charge.

Commission

Initial Commission (for which we make an Initial Charge)

You can choose up to a maximum of 5% of the payment you're making.

We'll take a charge of 0.1% for each 0.1% of commission we pay, and this will be deducted from the payment after it's been invested.

Funded Initial Commission (for which we make an Additional Charge)

You can choose up to a maximum of 3% of the payment you're making.

We'll take a monthly charge, at a yearly rate of 0.2% for every 1% of commission we pay, from the current value of the payment. We'll do this over a period of 6 years from the date the payment is made.

Funded Initial Commission is not available if you're 69 or over.

Fund Based Renewal Commission (for which we make a Regular Charge)

You can choose up to a yearly maximum of 1% of the current value of the payment.

We'll take a charge at a yearly rate of 0.01% for every 0.01% of commission we pay and will deduct this from your plan.

Other information about Commission

Additional charge

We'll apply a transfer charge if you transfer out, or buy a pension with any part of your plan that is subject to an 'additional charge'. This charge can also increase if you take a tax-free lump sum, or choose initial commission.

4.7 Other important questions

What happens to my PFWP when I die?

This is a complex area and should be considered carefully. This section provides a short summary, for full details you should ask your financial adviser to talk you through the protected rights section of our 'A Guide to Death Benefits' (SLSIP11).

If you are survived by your spouse or civil partner, they must either:

- take an income and delay buying a pension, or
- buy a pension (they must buy a pension before their 75th birthday).

If the fund is less than or equal to 1% of the Standard Lifetime Allowance (this will come to £16,500 for 2008/09 tax year), they will receive a lump sum instead that's subject to income tax.

If you are not survived by a spouse or civil partner, we will normally pay the proceeds as a lump sum. The lump sum will be paid as instructed by you or to your estate if you did not give us instructions.

If your spouse or civil partner buys a pension they can choose a pension that remains level or one that increases each year by a fixed rate up to a maximum of 8.5%.

Can I transfer my plan?

You cannot transfer your plan to another pension scheme unless the receiving scheme is capable of accepting contracted-out funds. It's important that you check with the administrator of the scheme you want to transfer to that they will accept the transfer. You cannot transfer out your PFWP if your plan is in income drawdown.

Can I change my mind?

You have a legal right to cancel your payment if you change your mind. You have 30 days, from the date you receive your plan documents to cancel.

At the end of the 30 day period you'll 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.

You have cancellation rights on the following:

Transfer payments

Before we can return a transfer payment, you must speak to the transferring scheme to get their agreement to accept the money back.

If they will not accept it back, and you still want to cancel, then you must arrange for another pension provider to accept the payment.

If the value of your investment falls before we receive your instruction to cancel, we may deduct an equivalent amount from the refund.

The transferring scheme may charge you for taking the payment back.

Taking an income (income drawdown)

When you first decide to take income from your plan, you'll have a right to change your mind.

You have 30 days, from the date you receive your income drawdown documents, to cancel.

Within 30 days of us receiving your request to cancel, you'll need to return any tax-free lump sum and income we've already paid you. If you fail to return all the monies to us within 30 days you'll lose the right to cancel.

You won't have a right to cancel any later decisions you make about taking your income from your plan, apart from the amount and/or frequency of income you take.

How do I cancel?

If you decide you want to cancel you should write to us. See 'How to contact us' on page 14.

Pension Fund Withdrawal Plan

How will I know how my PFWP is doing?

Online

We'll automatically register you for our online service (you'll get a user id and password when we set up your plan).

You can then check your plan details on our website:

www.standardlife.co.uk

Yearly statement

We'll send you a yearly statement to show how your plan is doing.

You can also get a valuation or illustration by calling our SIPP Customer Centre. See 'How to contact us' on page 14.

If you're withdrawing an income, we'll send you a review pack every five years before age 75, and then every year after age 75. This pack will include up-to-date information about your plan and any changes to the income limits.

5. Other information

How to complain

We have a leaflet that summarises our complaints handling procedures. If you would like to see a copy please contact us.

If you need to complain, write to us at the address shown in 'How to contact us' on page 14.

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

Call:

0845 080 1800

e-mail:

complaint.info@financial-ombudsman.org.uk

Website:

www.financial-ombudsman.org.uk

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

Plan terms and conditions

For a full summary you should read 'The policy provisions for your Pension Fund Withdrawal Plan' (PFWP63).

We have the right to change some of the plan terms and conditions. We'll write to you and explain if this happens.

Law

The law of Scotland will decide any legal dispute.

Language

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

If an external fund is linked to another insurer in addition to Standard Life Assurance Limited, the fund may not be covered under FSCS provision.

Please speak to your financial adviser for more information.

6. How to contact us

Call

0845 0845 000 (call charges may vary)

Please have your plan number ready when calling.

Fax

0131 245 3221

e-mail

SIPP_CustomerCentre@standardlife.com

There is no guarantee that any e-mail sent to us will be received, or will not have been tampered with. You should not send personal details by e-mail.

Write

SIPP Customer Centre
Standard Life
1st Floor
1 Conference Square
Edinburgh
EH3 8RA
United Kingdom

Advice, questions and help

Your financial adviser should be your first point of contact, as our SIPP Customer Centre can't give any financial advice.

If you have any questions or would like to make any changes to your plan, please contact us. Your queries will be dealt with during business hours.

7. 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.

Pensions
Mortgages
Savings
Investments
Healthcare
Insurance

Speak soon.

If you'd like further information on this or any of our other products, or if there's anything more about Standard Life we can help you with, just call us on this number, or visit our website. Call charges may vary and your call may be recorded or monitored to improve our service.

0845 0845 000

www.standardlife.co.uk

Products provided by subsidiaries of Standard Life plc or other specified providers.