

Personal Pension from Standard Life

keyfacts®

Transfer Payment

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 Personal Pension 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.

This document applies to you if you wish to make a transfer payment to your existing Personal Pension One or Group Personal Pension One. It also applies if you started a Personal Pension Plan or Group Personal Pension Plan before 6 April 2001 and wish to make a transfer payment.

Its aims

- To offer you a way of saving for your retirement.
- To build up a sum of money in a tax efficient way, which will give you:
 - a pension when you retire, or
 - a tax-free lump sum and a smaller regular pension.

Your commitment

- To transfer the cash value of the retirement benefits you have built up under a previous occupational pension scheme, Stakeholder pension plan, personal pension plan or pension policy into the plan. This is known as a transfer value.
- 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:
 - 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 chosen retirement date
 - 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).

- There is no guarantee that what you get back will be greater than what you would have received had you remained in your previous plan or policy.
- 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 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.
- 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 Personal Pension: Transfer Payment?

- It's a savings plan that lets you save for your retirement in a tax efficient way.
- You can transfer the cash value of the retirement benefits you have built up in any registered pension scheme (for example, a previous occupational pension scheme, Stakeholder pension plan, personal pension plan or other pension policy) into this plan.
- If you have previously been contracted-out of the State Second Pension (S2P), you can also transfer an amount relating to guaranteed minimum pension, Section 9(2B) rights or protected rights. This will be used to provide you with a pension which replaces some or all of your additional State pension.

Am I eligible?

- Yes, you are eligible if you are under 75 and have a transfer value from a previous plan or policy.

Is this a Stakeholder pension?

- No. The Government has set minimum standards that companies must meet for a Stakeholder pension. These are to do with payment levels, charges and terms and conditions. This plan is not a Stakeholder pension because our charges can be higher than the Government Stakeholder standards.
- Stakeholder pensions may meet your needs at least as well as this pension plan. Your 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 (Transfer Payment) Key Features Document (SPP17b). If you would like a copy of this, please ask your financial adviser or nearest Standard Life office.

How flexible is it?

- The minimum transfer amount we can accept is £1,000 unless you are paying a transfer payment into a personal pension that you are currently making regular payments into. If that is the case the minimum payment we can accept is £500. These minimum amounts could be changed in the future.
- If you have other retirement benefits built up under previous occupational pension schemes, Stakeholder pension plans, personal pension plans or pension policies, you can also transfer the cash values of those benefits into this plan. See 'Can I pay more into the plan?' on page 4.

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?' on page 5)
 - in addition, for with profits investments, any discretionary adjustments, including any smoothing (please see 'What are the discretionary adjustments?' on page 6). 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 final plan value to buy a pension, which will be 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. The scheme you transfer from will tell us if there are any restrictions on how the plan value may be used.
- You can choose a pension that stays the same each year or one that increases each year. This increase can be between 0% and 8.5% each year.
- You can choose a smaller pension for yourself so that you also provide a pension for your spouse/civil partner or other dependant(s) after you die.
- You can start taking a pension at any time between the ages of 55 (50 up to 6 April 2010) and 75, including when you are still working.
 - You must normally start taking it by age 75.
 - You can take the pension in stages if you want to.
 - You can start taking a pension before age 55 (50 up to 6 April 2010) only if you're in severe ill health.
- If any part of your transfer payment includes protected rights, you won't be able to take your pension from your protected rights fund until you're 55 (50 up to 6 April 2010).
- You can buy your taxable pension from us, any other pension provider or registered pension scheme.

Can I pay more into the plan?

- You can pay regular or single payments into the plan. You can find more information on this option in our Personal Pension Key Features Document (PPO17).
- If you have other retirement benefits built up under previous occupational pension schemes, Stakeholder pension plans, personal pension plans or pension policies, you can also transfer the cash values of those benefits into this plan.

What about tax?

- The funds you invest in will grow free of UK Capital Gains Tax.
- You can normally take some of your fund as a tax-free lump sum before you convert the plan to 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 dependants do not 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%.
- Your pension will be taxed in the same way as earned income.
- 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.

Where is the payment invested?

- 100% of the payment is invested. Each fund is made up of 'units' and we use your payment to buy units in the fund(s) you choose.
- We offer a range of investment-linked funds and a with profits fund for you to choose from.
- You can switch your payment 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.
- Some of the investment-linked funds are managed by external fund managers. We may withdraw access to these external funds in the future. We'll normally give you three months' notice and then switch your investment into another fund. We'll choose the fund whose investment objectives most closely match the original fund, unless you choose a different fund. Further payments that would have gone into the original fund will be invested in the fund to which your investment is switched.
- 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 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 either the Pension With Profits One Fund or the Pension Millennium With Profits Fund
 - if your plan started after we demutualised you are invested in either the Pension With Profits One 2006 Fund or the Pension Millennium With Profits 2006 Fund

Your policy schedule 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?' on page 5) 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 further information about investing in with profits, including how we decide the bonuses 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. If you would like more information please ask your financial adviser or nearest Standard Life office for a copy of our 'Lifestyle Profiles' leaflet (GPEN41).
- 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.
- For further information about our funds, please ask your adviser or your nearest Standard Life office for a copy of our leaflet 'Your pension investment choices' (GPEN4).

What are the charges and discounts?

- 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 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 with profits, 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.
- 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 your fund exceeds £25,000 we add extra units to your fund each month to the value of 0.1% of your fund each year. If your fund exceeds £50,000 we add extra units each month to the value of 0.2% of your fund each year.
- We will not normally make a charge for switching funds. However we reserve the right to charge for switches. If a switch involves a fund linked to the fund of an external manager and that 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
 - 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 happens to the plan if I die before I retire?

- We will pay the plan value at the date of your death.
- We'll pay the amount due in a lump sum unless part of your plan has to be used to buy a pension for your spouse/civil partner or other dependant(s). This could happen if:
 - You have a separate fund because you have 'contracted-out' of S2P.
- If you have set up your plan under trust, we will pay the lump sum to the trustees. If it is not under trust, we will decide who to pay the lump sum to. We take into account your circumstances when you die and anyone you have previously stated you want the money to go to.

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 a pension. We make no transfer charge. 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.
- You cannot cash in your plan at any time.

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 your plan documents. 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 on page 7, instructing us to cancel the contract. Please make sure that you include your plan number in any correspondence with us.
- If you 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 the payment, you must ask the transferring scheme to confirm that they will accept the payment back and we will then return it to them. If they will not accept it back, you must arrange for another pension provider to accept the payment.
- 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 Personal Pension: Transfer Payment 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 via our website – www.standardlife.co.uk
- We will send you a yearly statement to show 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 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.

Personal Pension

Group Personal Pension

Call us on **0845 60 60 012** (call charges may vary)

Call us on **0845 60 60 075** (call charges may vary)

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

Fax: 0131 245 3224

Fax: 0131 245 0137

e-mail:

service_ppp@standardlife.com

e-mail:

service_gp@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 Conference Square
Edinburgh
EH2 7RA
United Kingdom

Other information

How to complain

- We can send you a leaflet summarising our complaint handling procedures on request.
- If you ever need to complain, first write to us at the address above. 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 document gives a summary of Standard Life's Personal Pension for Transfer Payments. It does not include all the definitions, exclusions, terms and conditions. These can be found in the Policy Provisions booklet. If you would like copy of the Policy Provisions booklet, 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. For further information contact us on 0845 60 60 012 (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 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.