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Key features of the

Immediate Vesting Personal Pension Plan

from Standard Life

STANDARD LIFE

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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 Immediate Vesting Personal Pension 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

How can an Immediate Vesting Personal Pension help you?

An Immediate Vesting Personal Pension Plan (IVPPP) will provide a pension (regular income) for you immediately. You also have the option to take a tax-free lump sum and a smaller pension.

It can also provide a pension for your husband, wife or civil partner and/or dependant(s) after you die if you select that option.

Your commitment

What do you need to do?

You need to buy this plan from us:

- by making a transfer payment from a registered pension scheme, or
- by making a single lump sum payment of at least £5,000

and in return we'll pay pension payments to you for the rest of your life.

Risks

What risks are involved?

The terms of your contract can only be changed as allowed in the Policy Provisions. You can't cash it in or transfer the value to another company.

We can't tell you the exact amount of your pension until the date we receive your application form and cheque.

You can choose the options that your pension will be based on but you can't change these at a later date.

Your pension will stop when you die, unless you choose for it to continue, (please see 'What happens to my pension when I die?').

What you can buy in the future with your pension could be reduced by inflation.

If you choose to have your pension change in line with the Retail Prices Index (RPI) and inflation falls below zero and becomes negative, your income will go down by the same amount.

If you cancel the contract within the 30 day period after you receive your policy schedule you may get back less than the initial investment.

Questions and answers

What is an Immediate Vesting Personal Pension Plan?

It's a contract that gives you a pension for the rest of your life, where you take the pension benefits immediately. The plan starts from the date we receive your application form and cheque.

You can buy it with one or more transfer payments from registered pension schemes or with a single lump sum payment.

The minimum purchase price is £5,000 and the maximum purchase price is £500,000.

You must be aged between 50 (55 after 6 April 2010) and 75.

You can buy this type of pension from any Immediate Vesting Personal Pension Plan provider.

How flexible is it?

You can choose the pension basis and how it should be paid. You can find details of the choices under the headings:

- 'What choices will I have about how I get my pension?'
- 'What happens to my pension when I die?'

You can choose to have your pension stay the same or increase automatically each year:

- by a fixed percentage, up to a maximum of 8.5% each year, or
- in line with the Retail Prices Index.

You can choose for your Protected Rights (see 'What if my transfer payment has Protected Rights?') pension to remain level or increase automatically each year by a fixed percentage up to a maximum of 8.5% each year.

You can choose to guarantee to have your pension paid for up to 10 years (5 years for a Protected Rights pension). If you die within that period the pension will continue to be paid to your husband, wife or civil partner or dependant(s) until the end of the guarantee period. If you choose a guarantee period, the last guaranteed payment must be due to fall before your 90th birthday.

You can take out this contract before you retire.

Once you've started to take your pension, you can't cash in your Immediate Vesting Personal Pension Plan, change it to another provider or temporarily stop receiving payments.

How much can I pay as a single lump sum payment?

You can only make a single lump sum payment to this plan if you're a 'relevant UK individual' and the minimum lump sum payment we'll accept to this plan is £5,000. You're a 'relevant UK individual' if:

- you're resident in the UK for tax purposes, or
- you have relevant UK earnings, or
- you have, or your husband, wife or civil partner has, earnings from overseas Crown employment subject to UK tax.

The maximum you can pay in any tax year (a tax year runs from 6 April in one year to 5 April in the next year) is 100% of your relevant UK earnings for that year (including tax relief). Relevant earnings are your taxable annual income and any bonuses, commission or benefits in kind that you receive from employment or self employment.

This is a limit set by HM Revenue & Customs and applies to the total payments made by you and any third party to all your pension arrangements. This limit does not apply to payments made by your employer to any of your pension arrangements.

How do I get tax relief on a single lump sum payment?

We'll claim basic-rate tax relief from HM Revenue & Customs and add it to your single lump sum payment automatically. If you're a higher rate taxpayer, 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 2008/2009 tax year. You'll pay a 40% tax charge on any payments that exceed this limit. If you think you'll be affected by the Annual Allowance, you may wish to seek financial advice.

What will my pension be?

The amount of your pension will depend on a number of things, for example:

- the amount you're using to buy your pension,
- how often your pension is paid,
- your sex, and your age when we receive your application form and cheque,
- interest rates when we receive your application form and cheque,
- the options you choose.

You can choose to have a pension paid to your husband, wife or civil partner and/or dependant(s) when you die in return for a smaller pension for yourself.

We guarantee that your pension will never fall below its initial level unless you choose to have your pension increase in line with RPI – then your pension could go down if RPI goes down.

What choices will I have about how I get my pension?

We can pay your pension directly into your bank or building society account and you can choose how often it is paid. It can be paid: every month; every three months; every six months, or once a year.

Your pension can be paid in advance or arrears, for example:

- if your pension is paid once a year in advance from 1 January 2008 then your first pension payment will be made on 1 January 2008 and covers the period 1 January 2008 to 31 December 2008, or
- if your pension is paid once a year in arrears from 1 January 2008 then your first pension payment will be made on 1 January 2009 and covers the period 1 January 2008 to 31 December 2008.

What if my transfer payment has Protected Rights?

If you've been employed, you may have been contributing to the State Second Pension (S2P) through your National Insurance contributions. If so, you'll receive an earnings related State pension in addition to your basic State pension. Alternatively, you may have arranged for part of your National Insurance contributions to be paid into your registered pension scheme (pension fund).

These contributions are a separate part of your pension fund called Protected Rights. This provides a pension which replaces some, or all, of your S2P.

If your pension fund includes any Protected Rights these can also be transferred to the Immediate Vesting Personal Pension Plan. You can normally take the proceeds from a Protected Rights fund at any age between 50 (55 from 6 April 2010) and 75.

The maximum guarantee period you can choose for Protected Rights is 5 years.

If you're married or in a civil partnership when you take the proceeds, the pension must continue on your death to your widow(er) or surviving civil partner at half the rate payable when you were alive.

Alternatively, if you're unmarried or not in a civil partnership when you take the proceeds, you can choose to have the pension paid (at half the rate) to the person who is your husband, wife or civil partner at your date of death.

You can choose a level pension or one that increases automatically each year by a fixed percentage, up to a maximum of 8.5% each year.

What happens to my pension when I die?

We'll stop paying your pension when you die unless you choose for it to continue, for example:

- if you choose a pension for your husband, wife or civil partner and/or dependant(s), they will start receiving a pension if you die before them;
- if you choose for the pension to be guaranteed for a fixed period of up to 10 years. This means that if you die within the guarantee period, any remaining payments up to the end of this period will be made to your husband, wife or civil partner or dependants, or to your estate;

If you choose to provide a pension for a dependant who is not your husband, wife or civil partner you will be asked to provide evidence of dependency. When you die we have to check that the person is still dependent on you before we start paying the dependant's pension. If they're no longer dependent on you then the dependant's pension will not be payable. This is an HM Revenue & Customs requirement when the dependant's pension is payable to anyone other than a husband, wife or civil partner.

Choosing a guarantee period does not guarantee the amount of income that will be paid. If you chose for your pension to change each year by a fixed percentage or in line with RPI, the pension payable in the guarantee period will also change. The pension payable in the guarantee period is taxable. Depending on the amount of income tax payable the amount actually received by your beneficiaries or estate may be different from the amount you would have received yourself.

What are the charges?

All our charges and expenses are deducted before your level of pension is decided. No further charges or expenses will be taken from your pension.

What about tax?

HM Revenue & Customs has a Lifetime Allowance on the total value of pension benefits you can take in your lifetime without paying a tax penalty. This allowance is £1.65 million in the 2008/2009 tax year.

If the total funds in all your pension arrangements (including the value of pensions in payment) are worth more than the Lifetime Allowance then this plan is not suitable for you.

Each year we'll send you a statement of the percentage of Lifetime Allowance used up when your benefits were taken.

Your pension will be treated as Pay As You Earn (PAYE) income and may be taxable. HM Revenue & Customs tell us how much tax to deduct from your pension. This will depend on your individual circumstances.

If payments continue after you die they may be subject to Inheritance Tax. Please see your financial adviser for further details.

If you make a single lump sum payment the value of tax relief will depend on your circumstances and may change in the future. There is no tax relief available if you make a transfer payment. Please contact your financial adviser for further details.

Tax and legislation may change. The information we have given here is based on our understanding of law and HM Revenue & Customs practice at the time of writing this document.

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. The 30 day period starts from the date you receive the Policy Provisions and Policy Schedule.

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 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 the payment and the date we received your instruction to cancel.

If you decide to cancel, and we've already received a transfer payment, you must ask the transferring scheme to confirm that they'll accept the payment back and we will then return it to them. If they'll not accept it back, you must arrange for another pension provider to accept the payment.

If you decide to cancel, and we've already received a lump sum payment, we'll refund the payment to the person who made it.

Any tax-free lump sum and/or income that we've sent you must be returned within the 30 day cancellation period before we cancel the plan. If you fail to return all the money to us within 30 days, you'll lose the right 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.

How to contact us

If you've any questions then you can speak to your financial adviser or, if you want to speak to us directly, here's how you can reach us.

Phone us

0845 60 60 384

We may record/monitor calls to help improve our service. Call charges may vary.

E-mail us

e-mail: CSD_NBAnnuity@standardlife.com

We can't guarantee that we'll receive your e-mail or that it won't have been tampered with or intercepted along the way. You may prefer to contact us by phone or in writing.

Write to us at

Standard Life Assurance Limited
Standard Life House
30 Lothian Road
Edinburgh
United Kingdom
EH1 2DH

Have a complaint?

We've got a leaflet that explains how we handle complaints. If you'd like a copy, just ask.

Of course, we hope you won't ever need to complain. But, if you do, please write to us.

If you're 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
Switchboard: 020 7964 1000
Fax: 020 7964 1001
Website: www.financial-ombudsman.org.uk
e-mail: complaint.info@financial-ombudsman.org.uk

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

Terms and conditions

This document gives a summary of the Standard Life Immediate Vesting Personal Pension Plan. It doesn't include all the definitions, exclusions, terms and conditions. You can find these in your policy documents. If you'd like a copy of these, please ask your financial adviser or contact us direct.

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

Law

In legal disputes, the applicable law will be the law of Scotland.

Language

We'll use the English language in all our documents and 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 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.

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 60 60 384

www.standardlife.co.uk

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