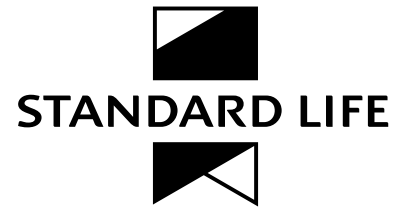


Small Self-Administered Scheme from Standard Life



For Adviser use only (not to be relied upon by anyone else).

SUITABILITY

Before giving advice to your clients, you will have carefully considered their financial needs, their attitude to risk and their own individual circumstances, as all these factors will influence the recommendations that you make to them.

This document contains some factual information you may find of use when drafting your suitability letters. The headings and layout are only examples and should not be taken as a guide for how your suitability letter should look or what it should include.

You are solely responsible for making sure that the content of your letter is current, appropriate, tailored for each client and meets regulatory requirements. We are not providing advice where you use any of this wording to contact your clients.

No responsibility is accepted by Standard Life for your reliance on, or use of, this information which is supplied at your own risk.

A top performer

We are committed to remaining one of the country's top pension providers. We offer pension contracts which provide competitive charging structures. We also have a consistent investment performance and provide an award winning customer service.

It should however be remembered that past performance is not a reliable guide to future performance.

The Director's Premier SSAS is for directors who wish to use the wide investment powers that a SSAS offers. Although a minimum level of payments must be made into the Standard Life Retirement Account Plan on a regular basis, the Scheme has the freedom to invest in a wide range of investments, including stocks and shares, bank and building society deposits, open ended investment companies (OEICs), gilts and other fixed interest securities. The Scheme provides your client with support for making these wider investment choices from the highly respected specialist firm of Rowanmoor Pensions.

If the Trustees decide to take the wider investment option, Rowanmoor Pensions will:

- carry out the day to day administration of the Scheme
- maintain records of investments and payments
- negotiate with HM Revenue & Customs to obtain registration of the Scheme
- ensure that the SSAS is registered under the register of occupational pension schemes
- provide guidance on whether or not particular transactions will be allowable by HM Revenue & Customs, and
- provide a representative at annual Trustees' meetings on request.

Standard Life will deal with the everyday administration of the Retirement Account Plan.

The Director's Premier SSAS offers your client considerable flexibility allowing them to successfully combine their corporate planning with their pension planning. It offers the following self investment options.

- The pension fund may purchase property and rent it back to the company. However, bear in mind that property can be difficult to sell, and your client may not be able to sell their investment when they 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.
- Loans to the company to purchase other assets eg buildings, land, fixed assets and stocks.
- Investment in other approved assets.

The self investment options give the company access to funds (subject to limits) that have benefited from the tax advantages detailed below.

What benefits does the SSAS offer?

1) Tax advantages

A SSAS provides a unique method for tax-efficient pension planning for directors of private limited companies because:

- company payments are regarded as an allowable expense for corporation tax purposes
- members get tax relief on the payments they make to all their pension plans, usually up to 100% of their relevant UK earnings for that tax year. This relief is normally at their highest Income Tax rate
- investments will grow free of UK Capital Gains Tax
- as the Scheme is written under Trust, a member's dependants will not normally have to pay tax on the lump sum benefits payable if the member dies in service
- rent paid to the Scheme by the company is an allowable expense for corporation tax purposes.

Pensions are taxed as earned income after retiral.

Tax and legislation may change. The value of tax relief depends on the member's financial circumstances and may change in the future. The information given is based on Standard Life's understanding of law and HM Revenue & Customs practice when we published this document.

2) Peace of mind

Life cover on death in service

If a member dies, the Scheme allows for the Trustees to make payment of a lump sum and/or a dependant's pension based on the member's interest in the fund.

A SSAS can also provide life cover and/or a dependant's pension. This Additional Life Cover gives the employee's dependants a specified lump sum as well as the value of their pension fund. This is paid for through an extra payment at the same time as the pension payments are made. The minimum extra payment for this is £3 a month or £30 a year.

Life cover is available only while the employer is making regular payments. If the employer stops making payments, the life cover also stops.

3) Payment flexibility

If circumstances change, your client has the flexibility to increase or reduce regular payments at any time within HM Revenue & Customs limits. They can also stop payments and make the plan 'paid-up'. This means that the employee's fund will remain invested with Standard Life until they decide to take their benefits or choose to take a transfer value. The fund will continue to be invested, less any deductions we may make for administration.

Provided Standard Life's minimum Scheme payment requirements are met, no additional charges apply. However, if payments are reduced below this level or stop, then additional administration charges will apply. For further information please refer to our Charges and Services Sheet (SAS12 RPG).

4) Fair deal for all

None of us are sure what will happen to either ourselves or our families in the future – change of job, redundancy, illness, marriage, divorce – who knows? People can and do have to transfer pensions or stop paying into them. The SSAS provides a fair deal for all throughout the term should your client have to take a transfer value, cash in units for self investment or stop making payments. We also aim to provide a competitive return if your client maintains their pension with us until retirement.

5) Taking the proceeds

When members can claim their benefits

We normally pay members' retirement benefits at their normal retirement date. This date should be specified on the application form.

However, the benefits can be paid earlier if members:

- are aged at least 55 (50 up to 6 April 2010), or
- have retired due to ill health.

The benefits members will receive when they retire

The SSAS can provide members with:

- a regular income for the rest of their life, or
- a tax-free lump sum, and a smaller regular income, and in some cases,
- a regular income and/or lump sum for their spouse or civil partner and dependant(s), if they die.

Payment of pensions

Pension benefits may be guaranteed payable for a minimum period. This period can be between 0 and 10 years. For example:

- no guarantee, or
- 5 years and life thereafter, or
- 10 years and life thereafter.

Members can also opt to insure as a lump sum the value of their unpaid pension instalments.

Members may elect for their pension benefits to be:

- a level amount (nil escalation), or
- increased at a fixed rate of up to 8.5% each year, or
- changed in line with the Retail Prices Index (RPI) each year.

6) Options on leaving service

If a member leaves the Scheme the following options are available.

- The member's interest can remain within the Scheme where it will remain invested (less any deductions we make for administration). In these circumstances their Trustee responsibilities will also remain. It will then be used as the basis for providing benefits when the member retires or dies.
- If the member wishes, a transfer payment can usually be made to another pension contract with Standard Life or with another authorised pension provider, subject to HM Revenue & Customs approval.
- If the member wishes, a transfer payment can be made to any new employer's pension scheme, subject to HM Revenue & Customs approval.
- In certain circumstances, the employer and the member can ask the Trustees to return individual payments. A refund of the lesser of the member's payments plus interest and the value of the member's fund may be paid if the member has been in pensionable service for a period of less than two years. Please note that any refund payable to the member will be subject to tax.

7) Investment choice and flexibility

Your client can choose to invest in Standard Life funds or funds managed by external fund managers.

Please refer to the leaflet 'Your pension investment choices' (GPEN4) for details of the funds available.

Investment flexibility

The SSAS gives your client the flexibility to switch funds at any time. They can only invest in 12 funds at any one time. The first 20 switches in any 12-month period are free. If more than 20 switches are made in any 12-month period we reserve the right to charge for these additional switches. We also reserve the right to charge if a switch involves an externally managed fund and the manager charges us for the switch. Standard Life will normally switch units between funds on the working day after they receive the instructions, but we reserve the right to defer switches involving the investment-linked funds for up to a month, or for a switch out of the Standard Life Pension Individual Property One Fund, for up to six months. We will not normally make a charge for switching, but we reserve the right to do so. Charges are regularly reviewed and may be altered to take account of any changes in costs.

Why Standard Life?

Experience

Standard Life has been looking after its customers for over 180 years, and currently over 7 million people worldwide rely on us for their financial needs.

Like most people, you want to know that your financial future is in good hands. Standard Life places a great deal of importance on getting your money to work hard for you; that's why we believe you can have confidence in us.

Investment performance

A key factor in Standard Life's success as a market leader is the expertise of our investment management company – Standard Life Investments. Standard Life Investments' investment management team has extensive experience of world financial markets, where fund managers have an average of ten years investment experience. Success is built around an active fund management approach, where significant emphasis is placed on research and teamwork. If your clients wish, the money they invest in the plan will be managed by Standard Life Investments who aim to be one of the UK's top fund management teams.

Alternatively Standard Life funds linked to the funds of external managers are available. In these funds, Standard Life invests the money held in its fund by buying units in the external manager's fund. In this way, your client has access to the services of another fund manager without taking out another contract.

It should be remembered that past performance is not a reliable guide to future performance.

Service

Standard Life is a company which believes in providing good service to all our customers. This means that we are committed to providing a good quality of service locally, and to dealing with queries or documentation with the minimum of fuss or delay.

How others see Standard Life

Although we know what we offer is good, it's also important that others see us in the same light. So it's pleasing to know that the Standard Life group has achieved:

Money Marketing Awards

Voted Company of the Year – 1999 to 2005, 2007 and 2008

Voted Best Pension Provider – 2004 to 2008

Financial Adviser Life & Pensions Awards

Group Pensions Provider of the Year – 2008

SIPP and/or SSAS Provider of the Year – 2006, 2007 and 2008

Financial Adviser Service Awards

Voted 5 Star Life and Pensions Provider – 1996 to 2007

Outstanding achievement award in recognition of winning 5 Star award for 12 years in a row – 2007

Professional Pensions – UK Pension Awards

Life Assurance Company of the Year and Multi-Asset Manager of the Year – 2008

Internet

You're welcome to visit our dedicated adviser website where you can find out more about Standard Life and our products at www.adviserzone.com