

# Versatile Investment Plan 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 Versatile Investment 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. If you invest in with profits please also read the enclosed 'Understanding With Profits' booklet for more information about how your investment works. This Key Features Document is for a UK plan and is for use by UK residents only.

### Its aims

- To build up a lump sum that you get tax-free when your plan ends.
- To give you some life cover.

### Your commitment

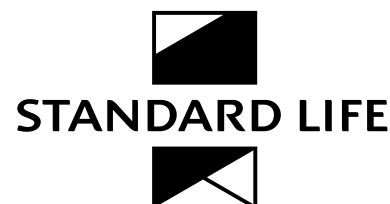
- To make regular monthly or yearly payments over the term of your plan.
- The minimum payment for the plan is £50 a month or £500 a year.

### Risks

- When your plan ends, you may get back less than the amounts shown in your personal illustration because:
  - the performance of the fund(s) you have chosen could be lower than shown in your personal illustration;
  - our charges could go up.
- Your plan can invest in a range of investment-linked funds that include stocks and shares, which have different levels of risk. The value of your investment can fall as well as rise and you may get back less than you have paid in.
- In addition, for with profits investments, what you get back may be lower than illustrated because of:
  - increases in the deductions for our costs in the future;
  - the bonus rates we set;
  - any discretionary adjustments, including any smoothing

For more information please read the enclosed 'Understanding With Profits' booklet.

- If you invest in with profits, in certain circumstances we may reduce the price of units when you leave with profits. If this happens, what you get back could be reduced. For more information please read the enclosed 'Understanding With Profits' booklet.
- 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.



## Questions and answers

### What is a Versatile Investment Plan?

- It is an investment plan made up of individual policies (maximum 20) that invest in one or more investment funds. It provides a tax-free lump sum at the end of the fixed term of between 10 and 25 years.
- Each investment fund is made up of 'units'. Your payments are used to buy units in one or more of these funds.
- It provides you with life cover within minimum and maximum limits. This pays out a cash sum if you die during the term of your plan. Please see 'What life cover is included?' below for more information.

### How flexible is it?

- If your plan still has at least ten years until it is due to end, you can change the amount of life cover your plan gives you. Please note that you cannot change the regular payment amount.
- You can switch between investment-linked funds. You cannot switch into or out of with profits. Please see 'What are the charges?' on page 5 for more information.

### What might I get back?

- The amount you get back when your plan ends is not guaranteed and will depend on several factors, such as:
  - how much you invested;
  - the length of time you invested for;
  - the performance of the fund(s) you have chosen;
  - our charges (see 'What are the charges?' on page 5);
  - whether or not you cash in all or part of your plan early;
  - in addition, for with profits investments, any discretionary adjustments, including any smoothing. Any such adjustments will not reduce your guaranteed benefits. For more information please read the enclosed 'Understanding With Profits' booklet.
- Your personal illustration gives you an indication of what you might get back when your plan ends.

### What life cover is included?

- You can take out the plan on your own or jointly – usually with your spouse or partner. If you take out the plan jointly, then you can choose whether the lump sum will be paid out:
  - after you both have died, or
  - on the death of either of you.
- You can also take out a Versatile Investment Plan on the life of another person, but only if you would suffer a financial loss on their death.
- If a claim is made following a death before the plan ends, we will pay out the higher of:
  - the life cover, and
  - the value of your plan.
- For at least the first few years, we will deduct the cost of life cover from the value of your plan. Please see 'What are the charges?' on page 5 for more information. For plans with terms greater than 10 years which have been set up on life cover greater than the minimum the level is reviewed at year 10 then every 5 years thereafter.

- The lowest level of life cover you can choose is 75% of the payments you are expected to make during the term of your plan (so if you were expected to pay £10,000 to your plan, you would have a minimum of £7,500 life cover). Once you are aged 56 or older the minimum level of life cover reduces by 2% a year.
- The highest amount of life cover you can have depends on your age, sex, health, term of the plan and how much you pay to your plan.
- You only pay for the life cover you need to cover the difference between:
  - the life cover you want, and
  - the value of your plan.

If your plan grows to be worth more than your life cover, we will stop making deductions from the value of your plan.

- After a lump sum has been paid out on death, the plan ends and there is no cash value.

### What other benefits can I choose?

#### Waiver of Premium

- For an additional cost, Waiver of Premium covers your regular payments to your plan if an illness or disability stops you working for six months or more.
- For the first six months of your claim you must continue to make payments to your plan. After that, Waiver of Premium will cover your payments until you're able to return to work.
- When you return to work your claim ends and you must start making payments again.
- You can add Waiver of Premium to your plan until the first of these dates:
  - the last anniversary of your plan before your 56th birthday;
  - the date your plan is due to end.
- You can continue to have Waiver of Premium in your plan until the first of these dates:
  - the last anniversary of the plan before your 60th birthday;
  - the date your plan is due to end.

Any payments we are making for a claim will also continue until the first of these dates.

- We will agree to waive payments if you become disabled and meet the definition of disability shown in your plan documents. The three possible definitions of disability are:
  - you are unable to carry out your own occupation,
  - you are unable to carry out any occupation for which you may be suited,
  - you cannot perform at least three of the eight Activities of Daily Working.

Your plan documents will confirm whether cover is provided on a normal or any occupation basis. Waiver of Premium isn't available for all occupations and, if you have any doubts as to whether your occupation is excluded, please contact your financial adviser or contact us on our customer helpline on 0845 60 60 002. Call charges may vary.

### How much can I pay in?

- You must pay at least:
  - £50 if you are making payments to your plan every month, or
  - £500 if you are making payments every year.
- There is no maximum payment.
- You can make monthly payments by direct debit. Yearly payments are usually made by direct debit, or by cheque.

### Where are my payments invested?

- After initial charges have been deducted, your payment is used to buy units in your choice of one or more of our investment funds. (Further charges, including the cost of life cover are then taken from the value of your fund. Please see 'What are the charges?' below and your personal illustration for more information on the charges that apply.) We offer a wide range of investment-linked funds and a with profits fund.
- Each fund is made up of 'units' and we use your payments to buy units in the fund(s) you choose.
- You can switch your payments in and out of various investment-linked funds to change the mix of investments, though there may be conditions and a charge for doing this. It is not possible to switch in and out of with profits.
- If you choose to invest in our investment-linked funds:
  - the price to buy or sell one unit in each fund depends on the value of the investments;
  - 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 would like more information about the investment-linked funds, please ask your financial adviser or your nearest Standard Life office for a copy of 'Description of Funds' leaflet GEN11E. You can find the document code at the foot of the back page on the left-hand side.

- If you choose to invest in with profits the plan information that we send you with your policy schedule will include the name of your with profits fund and the number of units allocated.

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/with profits](http://www.standardlife.co.uk/with%20profits)

- 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 based on the annual percentage rate for your plan.

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 more information about investing in with profits, please read the enclosed 'Understanding With Profits' booklet.

## What are the charges?

- We deduct charges to meet the cost of setting up and managing your plan:
  - We apply a charge of 4% to your payment.
  - We then apply a separate charge of 5%. This is the bid/offer spread, which is the difference between the buying and selling price of the units in the funds your payments are invested in.
  - We take a monthly charge, currently £1.00, from your fund.
  - If the value of your fund is less than the life cover, we will take an amount each month to cover this difference. If the life cover is less than the value of your fund then no amount will be taken.
  - If you choose Waiver of Premium, we take the cost of providing this cover as a fixed monthly charge (shown in your Personal Illustration).
  - Changing the funds in which your plan is invested is known as switching. The first four switches in any twelve month period is free. Any additional switches in the same period cost 0.5% of the value of the investment switched. The minimum charge is £10 and the maximum is £25.
  - For investment-linked funds the current fund management charge, as a yearly percentage of your fund, is 0.75%.
  - For investment in with profits there is no explicit fund management charge. Instead we make deductions for our costs, including tax, charges and the cost of guarantees provided by with profits business. These deductions will not reduce your guaranteed benefits but any final bonus we pay or any reduction to unit prices will reflect them.
- Your personal illustration shows what you might get back in the future. It details our charges for investment-linked funds and shows the effect they may have on reducing the value of your plan over the term of your plan.
- 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 if I stop paying?

- Your plan would be made paid-up. This means that no further payments can be accepted. You can then cash in your plan at any time for any value that may be available. This means that you may be able to leave your plan paid-up until the end of its term.
- If you do not cash in your plan, the charges will continue to be taken from it. Over time, these could reduce the value of your plan to zero. If this happens, your plan will then end.
- At any time, you can request a personal illustration that shows the potential effects of stopping your payments. Please contact your financial adviser or nearest Standard Life office. We strongly recommend that you talk to a financial adviser before you make a final decision.

### What if I cash in my plan early?

- You can cash in all or part of your plan at any time. You may not get back as much as you have paid in. If you are invested in with profits we may reduce the price of units in certain circumstances. For more information please read the enclosed 'Understanding With Profits' booklet.

### What about tax?

*This section only applies if the plan is owned by an individual/individuals. If the plan is not owned by an individual, you should ask a tax specialist for advice.*

- We pay tax on investment returns at the rates applicable to life assurance companies.
- The plan provides a lump sum at the end of the term or on death which will be free from personal Income Tax and Capital Gains Tax if:
  - you have made all your payments
  - you have not made alterations to your plan which affect its tax status. An example of a change that could affect its tax status is making your plan paid-up in the early years.
- If you are an individual and you cash in your plan you may have to pay tax if you are a higher-rate taxpayer or if the proceeds of the plan make you a higher-rate taxpayer.
- If you die during the term of your plan, the lump sum payable may be subject to Inheritance Tax. You may want to talk to a tax specialist about this.
- When we speak about tax and legislation, we base our views on our understanding of law and HM Revenue & Customs practice when we produced this document. Tax and legislation are likely to change in future.

### 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 day you receive your Policy Schedule and Policy Provisions (Terms and Conditions of the policy). 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 decide to cancel, and we have already received payment, we will refund the payment to the person who made it.
- 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.
- Please note, it is only the initial payment that you choose to make that will have cancellation rights.

### How will I know how my plan is doing?

- We will send you a statement each year giving the value of your plan.
- You can also call our customer help line on **0845 60 60 002** for an update. Call charges may vary. Please have your plan number ready when calling.
- We will register you for our online service and send you a user id and password so that you can check your plan details on our website – [www.standardlife.co.uk](http://www.standardlife.co.uk)

## How to contact us

- Remember, your 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, or you can write to us. We may record and monitor calls to help improve our service.
- Phone: 0845 60 60 002, Call charges may vary.

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

You can find out more about Standard Life on our website: [www.standardlife.co.uk](http://www.standardlife.co.uk)

## 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  
Switchboard: (020) 7964 1000  
Fax: (020) 7964 1001

Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)  
e-mail: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

- Complaining to the Ombudsman will not affect your legal rights.

### Terms and Conditions

- This Key Features Document gives a summary only. Please contact either us or your financial adviser for full details of the Versatile Investment Plan.
- We have the right to change some of the terms and conditions. We will write and explain if this happens. We will also send you a copy of anything that has changed.

**Law**

- In legal disputes, the law of the country that applies is usually the law of the country in which you are resident when you take out the plan.
- When we speak about tax and legislation, we base our views on our understanding of law and HM Revenue & Customs practice when we produced this document. Tax and legislation are likely to change in future.
- 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 60 002. 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](http://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.