Standard Life
Part of Phoenix Group

Active Money Personal Pension

Terms and conditions

Please read and keep for future reference.

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Any reference to tax and legislation is based on our understanding of law and HM Revenue & Customs practice at 27 October 2023. Tax and legislation are likely to change in the future. Your personal circumstances also have an impact on tax treatment.

1. Your terms

This **plan** is offered to **you** by Standard Life, a trading name of Phoenix Life Limited. This document sets out the Terms and Conditions for your Active Money Personal Pension (the '**terms**') and it's these **terms** which govern our relationship with **you**.

Before applying for the Active Money Personal Pension (AMPP) **you** should consider carefully the **key features document** for the product as well as these **terms**. The AMPP has been designed to provide a tax efficient way for **you** to save for your retirement.

The words in **bold type** in this document are defined terms. **You** will find a glossary of the defined terms in Annex 1 of this document. They are part of these **terms** so please take care to read them carefully. Words which **we** define in the singular form will also include the plural and words which **we** define in the plural will also include the singular.

We have tried to set out these **terms** and all other related documents as clearly as possible. But if there is anything **you** are unsure of, please contact your **financial adviser** or the AMPP Customer Centre. Please note that our AMPP Customer Centre staff cannot provide **you** with advice.

The contact details for the AMPP Customer Centre are:

Call: **0345 278 5626** (call charges will vary)

Write: Standard Life, AMPP Customer Centre, Edinburgh, EH1 2DH.

Email: ampp_customercentre@standardlife.com

There is no guarantee that any email sent will be received or will not have been tampered with or intercepted during transmission. **You** may prefer to contact **us** by phone or in writing.

2. Structure of your plan

2.1 If **we** accept your application, **you**'ll become a member of the Standard Life Self Invested Personal Pension Scheme (the '**scheme**'). The **scheme** was set up under a trust dated 5 July 2004 and made by The Standard Life Assurance Company with Standard Life Trustee Company Limited as the first **trustee** and The Standard Life Assurance Company as the first **scheme administrator**. The current **scheme administrator** is Phoenix Life Limited a company authorised by the Prudential Regulation Authority and regulated by the **FCA** and the Prudential Regulation Authority. Phoenix Life Limited is part of the **Phoenix Group.**

We will categorise **you** as a retail client for the purposes of the **FCA** rules. For more information on the regulatory protection offered to retail clients, please speak to your **financial adviser**.

Accounts

2.2 **You**'ll have one or more **accounts** under the **scheme**. When **you** start making regular payments, **we**'ll create a **flexible account** to receive any regular or irregular payments **you** choose to make. But if a different type or level of **adviser charge**, commission or **financial adviser** remuneration or a different investment instruction is to apply to a single payment, **we**'ll create a separate **account** for that single payment. Where **you** haven't started to make regular payments, **we**'ll create a separate **account** for each single payment **you** choose to make.

We'll also create a new **account** each time **we** receive a **transfer payment**. In some cases **we**'ll create more than one **account** to receive a particular **transfer payment**.

We'll issue a confirmation to **you** each time that **we** create a new **account** for **you**.

2.3 Each time **you** ask **us** to start paying **benefits** from a new part of your **plan**, **we**'ll apply a **pension date** to it. **We** can apply a **pension date** to a whole account or to part of one, in accordance with your instructions. The part **we** apply a **pension date** to becomes a **post pension date account**. Any **account** or part of an **account** to which a **pension date** hasn't been applied remains a **pre pension date account**.

2.4 If **we** receive a **transfer payment** that represents a **drawdown pension fund**, **we**'ll create a **post pension date account** to receive that **transfer payment.**

2.5 All of your **pre pension date accounts** together represent your **savings pot**.

All of your **post pension date accounts** (excluding any amounts paid out as a tax-free lump sum or used to buy an annuity) together represent your **drawdown pot.**

Investment mix

2.6 If **you** have both **pre** and **post pension date accounts**, **you** can apply different investment instructions to the **savings pot** and the **drawdown pot. We**'ll treat each **pre pension date account** as being invested proportionately in all of the investments held in the **savings pot**. And **we**'ll treat **each post pension date account** after payment of any tax free lump sum, as being invested proportionately in all of the investments held in the **drawdown pot**. (The proportion will be the size of the account in relation to the size of all of **your** accounts of that type)

2.7 When **we** create a new **pre pension date account** for **you**, **you** can tell **us** how **you**'d like the payment(s) to that **account** to be invested. Once **we**'ve carried out your instructions, those new investments will be part of the **savings investment mix** and **we**'ll treat the new **pre pension date account** as being invested proportionately in all of the investments held in the **savings investment mix**.

There's an example of how this works in Annex 2 of these **terms**.

2.8 Likewise, when **we** create a **post pension date account** for **you**, as explained in section 2.3, **you** can tell **us** how **you**'d like this new **account** (after payment of any tax free lump sum) to be invested. Once **we**'ve carried out your instructions, those new investments will be part of the **drawdown investment mix.**

The new **post pension date account** will be invested proportionately in all of the investments held in the **drawdown investment mix**.

Arrangements

2.9 All of your **pre pension date accounts** and **post pension date accounts** (except those described in section 2.10) belong to the same **arrangement**.

2.10 If **we** receive a **transfer payment** that includes a **drawdown pension fund**, **we**'ll create a separate **post pension date account** for the part of that **transfer payment** that represents the **drawdown pension fund**. Each **post pension date account** created in this way will normally be a separate **arrangement**.

Upgrading to a Self-Invested Personal Pension

2.11 If **you** ask **us** to upgrade your **plan** to a Self-Invested Personal Pension and **we** agree to do so, the structure and number of your **plan** will remain the same but your relationship with **us** will then be governed by the terms and conditions of the Self Invested Personal Pension (SLSIP62). **We** won't normally agree to an upgrade unless you have a **financial adviser**.

3. Eligibility

3.1 **You**'re eligible to join the **scheme** if **you**'re resident in the **UK**. If **you** aren't resident in the UK, **we** may still accept an application to join the **scheme** if the only type of payment you want to make is a **transfer payment**.

3.2 **You** need to apply to join the **scheme**.

3.3 Subject to the **FCA rules**, **we** have full discretion to accept or not to accept an application and **we** reserve the right to reject your application and not to give **you** any reason for doing so.

3.4 Once **we** have accepted your application, **we** will:

a) set up a **plan** in your name and administer it in accordance with these **terms**; and

b) issue **you** with a **plan** number.

Please make sure that **you** and your **financial adviser** (if you have one) include this number in all communications with **us**.

3.5 **We** will not be responsible for any advice given to **you** by a **financial adviser**.

4. Payments

4.1 **We** can accept the following payments to the **scheme** up until the day before your 75th birthday:

a) a payment from your employer;

b) a payment from **you**; or

c) a payment on your behalf from a **third party**.

We can accept a **transfer payment** for **you** at any time.

You must let us know if you **have flexibly accessed** your benefits with another pension provider and received a notification of the type decribed in section 4.20.

Before **we** can accept a **transfer payment**, **we** require certain information from the **transferring scheme**. If **we** don't receive complete and accurate information, **we** won't be able to accept the **transfer payment** and **we**'ll return to the **transferring scheme** any money that **we** have already received for that **transfer payment**. **We**'ll notify **you** if **we** do this.

We will not accept

- a drawdown transfer payment if **you** have a financial adviser; or
- a capped drawdown transfer payment.

If **you** have a financial adviser **you** can upgrade to our Self Invested Personal Pension which will accept drawdown transfer payments and capped drawdown transfer payments (see section 2.11).

Before deciding to make a **transfer payment** into this **scheme you** should consider whether any guarantees in the **transferring scheme** are important to **you**. Any guarantees in the **transferring scheme** will be lost on transfer.

Your cancellation rights are described in section 13.5.

4.2 **We** will not accept contributions in the form of shares from a savings-related share option scheme, an approved profit-sharing scheme or a share incentive plan.

We may not be able to accept a **transfer payment** into the scheme if it is subject to an **earmarking order**. If **you** are considering a **transfer payment** that involves an **earmarking order**, please discuss this with your **financial adviser**.

Maximum and minimum payments

4.3 **HMRC** don't set any limits on the payments that can be made to the **scheme** in a tax year. However, **HMRC** do limit the level of your payments (including payments from a **third party** on your behalf) on which **we** can claim basic-rate tax relief on your behalf (as explained in Section 4.17). **We** set a maximum equal to these **HMRC** limits on the size of payment that **we** will accept from **you** or a **third party** on your behalf because **we** won't accept any payments on which **we** cannot claim basic-rate tax relief (as explained in Section 4.17). There is no limit on the size of employer payment (though see Section 4.20 in respect of the consequences of exceeding your **annual allowance**) or **transfer payment** that **we**'ll accept into the **plan**.

4.4 **We** set a minimum **transfer payment**, a minimum single payment, a minimum regular monthly payment and a minimum regular yearly payment that **we**'ll accept.

Where more than one **transfer payment** is being made at the same time, the minimum applies to the total of all those **transfer payments**.

We don't currently set a minimum for any 'irregular' payment if **you** already have a **flexible account** under your **plan** and there is no minimum amount for any additional single or **transfer payment** into a **plan**.

We may change these minimums from time to time, if it is necessary for **us** to do so to maintain our profitability. **You** can find out the current minimums that apply by contacting **us** or your **financial adviser**. Our contact details are in Section 1.

How and when payments can be made

4.5 **Transfer payments** to the **scheme** can be made by direct credit, telegraphic transfer or cheque on any **business day**.

4.6 Single or irregular payments from **you**, your employer or a **third party** on your behalf can be made by direct credit, telegraphic transfer or cheque. If the payer already has a variable direct debit in place for the **plan**, the single or irregular payment can be made by that direct debit. Single or irregular payments can be paid on any **business day**.

4.7 All regular payments must be made by variable direct debit. They can be paid monthly or yearly. **You**, your employer or the **third party** can, at any time, increase, reduce or stop making regular payments. But **we** won't accept any payments from **you** or a **third party** on your behalf on which **we** cannot claim basic-rate tax relief (as explained in Section 4.3) and **we** can refuse to accept any regular payment that's below a minimum set by **us** (as explained in section 4.4).

4.8 **We** can decide that **we** are not accepting any further payments to your **plan**, provided **we** have reasonable cause to do so and **we** notify **you** of our reasons.

Indexation

4.9 If regular payments are being paid, **you** can ask for them to increase automatically each year by a fixed percentage (1 to 10%) or in line with the **index of average weekly earnings**. The same basis must apply to all regular payments made by **you**, your employer or a **third party** on your behalf. **We** will agree to your request unless **we** have reasonable cause not to, in which case **we** will inform **you** of our reasons. If **we** agree, the regular payment will increase each year on the indexation date which is the day chosen by **you** or, if **you** haven't chosen a day, the anniversary of the day on which the first regular payment was made.

4.10 Each year, before the indexation date, **we**'ll tell **you** what the new level of regular payment will be from the indexation date. Unless **you** tell **us** to collect a different amount, **we**'ll then collect that new level of regular payment until the following indexation date.

4.11 If **you** choose to have indexation in line with the **index of average weekly earnings**, **we**'ll work out the increase by using the figure in the index for the month that is 4 months before the increase is due. **We**'ll not, however, change your regular payment if the index goes down. If the government changes the index, **we**'ll use another basis which will give similar increases.

4.12 **You** can ask for the regular payment to stop increasing automatically. Our contact details are in Section 1.

How tax relief on payments works

4.13 There is no tax relief on **transfer payments** into the **plan**.

4.14 If your employer makes a payment to your **plan**, they can normally treat the payment as a business expense or use it to reduce assessable profits. **You** will not be taxed on the benefit to **you** of your employer's payments as long as **you** do not exceed your **annual allowance** (see Section 4.20).

4.15 If **you** (or a **third party**) want to make a payment to your **plan**, basic-rate tax relief on that payment is provided 'at source'. This means that **you** (or they) should deduct an amount equal to basic-rate tax from that payment to calculate the 'net' payment that **you** (or they) need to give **us**. **We** will 'gross-up' the amount that **we** receive (which means that **we** will treat it as if it had been paid without the tax deduction) and claim the basic-rate tax from **HMRC**. So if the basic rate of income tax for the tax year is 20% and **you** want the grossed-up payment to be £5,000, the amount **you** need to pay to **us** is:

(100% – 20% = 80%) of £5,000 which is £4,000.

If **you** pay tax at a higher rate, **you** can use your tax return to claim any additional tax relief on your payment and any payments made by a **third party** for **you**.

If **you**'re subject to a Scottish rate of income tax, which varies from the rest of the **UK**, **you** can contact HMRC either to claim additional tax relief if the Scottish rate is higher or to reconcile any difference in tax relief if the Scottish rate is lower.

4.16 If **you** sacrifice salary in exchange for an employer payment to your **plan**, Section 4.15 doesn't apply to that payment.

HMRC limits

You will be able to benefit from basic-rate tax relief on your annual contribution to your **plan** subject to the conditions as explained in Sections 4.17 to 4.19 below.

For more information, please see our leaflet 'Information about tax relief, limits and your pension' (GEN658).

Tax relief on your contribution

4.17 In any **tax year** in which **you**'re a **relevant UK individual**, **HMRC** will give tax relief on payments to your pension schemes from **you** or a **third party** up to the higher of:

a) the **basic amount** regardless of your earnings; and

b) 100% of your **relevant UK earnings** for that **tax year**.

These **HMRC** limits for tax relief apply to the total grossed-up (i.e. including the basic rate tax relief received from **HMRC**, as explained in Section 4.15) payments made by **you** or a **third party** to all your pension plans.
As explained in Section 4.3, **we** will not accept payments from **you** or a **third party** on which **we** cannot claim basic-rate tax relief.

Payments made by your employer don't count towards **HMRC** limits for tax relief (but do count towards your **annual allowance** as explained in Section 4.20).

4.18 If **you** stop being a **UK** resident and don't have any **relevant UK earnings** but **you** were a **UK** resident when **you** joined the **scheme**, **you** can continue paying up to the **basic amount** for the next five **tax years** following the **tax year** in which **you** leave the **UK**. If **you** weren't a **UK** resident when **you** joined, **you** can't make any payments after the end of the tax year in which **you** stop being a **UK** resident unless **you** have **relevant UK earnings**. But if **you** have (or your husband, wife or civil partner has) earnings from overseas Crown employment which are subject to **UK** tax, **you** can continue to make payments while **you** are outside the **UK**.

4.19 Where **we** find out from **HMRC**, or **we** receive satisfactory evidence, that **you** or a **third party** have made a payment to your **plan** that's higher than **HMRC** limits described in sections 4.17 and 4.18, **we**'ll cancel units from your **plan** and/or take money from your holding in the **trustee cash account** to pay a refund to the payer and to **HMRC** to bring the payment within **HMRC** limits.

Annual allowance

4.20 **HMRC** set an **annual allowance** on the total amount that **you**, your employer and any **third party** can pay to all your pension plans without a tax penalty. This allowance is £60,000 for each **tax year** from 6 April 2023 but it may change in the future.

If your total income and employer's pension contributions exceed £260,000 in a **tax year** starting on or after 6 April 2023, **you** will have an **annual allowance** of less than £60,000. Your **annual allowance** will be reduced by £1 for every £2 **you** receive over £260,000 in a **tax year**. Regardless of how much **you** receive, your **annual allowance** will not be reduced below £10,000.

The tax penalty for exceeding the **annual allowance** is that **you**'ll pay income tax at your **marginal rate** on payments to your pension plans that exceed the allowance. This tax is called the **annual allowance charge**. If the total payments to all your pension plans are less than £60,000 in one **tax year**, **you**'ll be able to carry forward the unused amounts for up to three **tax years**.

If **you flexibly access** any benefits with any pension provider on or after 6 April 2015 you get a **money purchase annual allowance** of £10,000 (but £4,000 for tax years 2017/18 to 2022/23) and there is no carry forward of unused **money purchase annual allowance** from previous tax years. When **you flexibly access** any benefits with any pension provider **you** will get a notification from your pension provider which will explain more about the new limit and what **you** need to do. **You** need to let **us** know if **you** have received one of these notifications from another pension provider or **you** may be fined by **HMRC.**

The **annual allowance** and **money purchase annual allowance** don't apply to **transfer payments**.

Where payments to this **scheme** exceed both your **annual allowance** and £60,000 and your **annual allowance charge** is more than £2,000, **you** have a statutory option to notify **us** in writing that **you** want the **annual allowance charge** to be deducted from your **plan**. **You** can use form GEN1742 for this purpose. If **you** are subject to the £10,000 **money purchase annual allowance** and **you** exceed that limit the statutory option does not apply to **you** and **you** will have to pay any tax due to **HMRC** yourself.

For more information on **annual allowance** and **money purchase annual allowance** please read our leaflet 'Information about tax relief, limits and your pension' (GEN658). If **you** think that **you** may exceed your **annual allowance** or **money purchase annual allowance**, please speak to a **financial adviser**.

Lifetime allowance

4.21 Since 6 April 2006 **HMRC** have set a **lifetime allowance** on the total retirement benefits that **you** can receive from all your pension plans without a tax penalty. This allowance has been £1,073,100 since 6 April 2020.

It was however announced in the Budget on 15 March 2023 that the **lifetime allowance charge** wouldn't apply in relation to the 2023/24 **tax year** and that the **lifetime allowance** would be abolished from 6 April 2024.

If your **benefits** exceed your **lifetime allowance** in the 2023/24 **tax year**, the excess will be taxed at your **marginal rate.** But **you** should be able to claim back any overpayment of tax from **HMRC**.

There will be a maximum **lifetime tax-free cash allowance** of £268,275 (i.e. 25% of £1,073,100).

4.22 In Annex 3, **we** summarise the higher levels of **lifetime allowance** and **lifetime tax-free cash allowance** which could apply to **you** if **you** have previously applied to **HMRC** for protection.

4.23 Up until your 75th birthday and until 6 April 2024, your **benefits** must still be tested against the **lifetime allowance** in the following circumstances:

a) each time **you** apply a **pension date** to part of your **plan** (which is when **we** start, at your request, paying **you** a **benefit** from a new part of your **plan**, as explained in section 2.3);

b) if **you** die leaving a **savings pot** in your **plan**; or

c) if **you** make a **transfer payment** to a **qualifying recognised overseas pension scheme**.

If your 75th birthday falls before 6 April 2024 the value of any remaining **savings pot** must be tested against your **lifetime allowance**. Any **drawdown pot** must also be tested on your 75th birthday. The test will only apply to the difference between the value of the **drawdown pot** on that date and the collective value of each **post pension date account** at its **pension date** (or the relevant proportion of its value at its **pension date** if you've already used part of it to buy an **annuity**).

5. Funds

5.1 The Standard Life Investment Policy is a master policy which The Standard Life Assurance Company issued to the **trustee** as policyholder. The **insurer** of the Standard Life Investment Policy is now Phoenix Life Limited.

5.2 The Standard Life Investment Policy allows **members** of the **scheme** to invest in a range of the **insurer**'s **funds** including funds managed by the insurer ('**internal funds**') and funds managed by **external fund managers** ('**external funds**'). The **insurer** will keep a separate record of the amount that it is due to pay to each **member** of the **scheme** who chooses to invest in the policy.

The funds available under the Active Money Personal Pension product are Series 4 funds.

Each **fund** has a separate pool of assets and is divided into **units**. The **insurer** uses the **units** of both **internal** and **external funds** for the sole purpose of working out how much it will pay on claims under your **plan**, under the **plans** of other members of the **scheme** and by other policyholders using the same fund. The assets in each **fund** are owned by the **insurer** and, although policyholders have claims to money, they have no rights to particular assets or the proceeds of those assets.

Both **internal** and **external funds** may include money that the **insurer** holds for administrative reasons and the **insurer** may borrow money for both types of fund.

You can ask **us** or your **financial adviser** for a copy of the **insurer**'s leaflet on 'Understanding unit-linked funds', if **you** would like more information on how **funds** work.

The Standard Life Investment Policy also allows members of the **scheme** to invest in a range of **lifestyle profiles**. There is more information about **lifestyle profiles** in Sections 5.33 to 5.37.

Internal funds

5.3 For an **internal fund**, the **insurer** sets the investment objectives of the **fund** and appoints a fund manager (normally within the **abrdn group**) to make the investment decisions for that **fund** within those objectives. The **insurer** reviews the investment objectives of each **fund** to ensure that they remain appropriate and will, in normal circumstances, give **you** at least 3 months' notice if it intends to make a material alteration to the investment objectives of an **internal fund** and **you're** invested in that **fund**. **You** may receive less than 3 months' notice if the **insurer** needs to act quicker to protect the interests of unitholders using that **fund** or **we** have to implement a legal or regulatory change before a full notice period would end. For example, one of the reasons for a shorter period of notice and acting quickly is if there are significant changes in financial markets or the economy. When **you** are notified of an alteration, the notice will state the reasons for the alteration, its impact and the date which the alteration will become effective.

When **you're** told that the investment objectives of a **fund** are being altered, the notice will say that **you'll** be able to switch your investment into any alternative fund(s) from the available range. No switch charge will apply but it will continue to be the case that the prices used in the switch may reflect the costs in selling and buying assets in the **funds** so this may reduce the value of your **plan**.

External funds

5.4 For an **external fund**, the **insurer** can use an **external fund manager** in three ways:

a) the **insurer** may buy **units** in the **external fund manager**'s **mutual fund** (and this could include an **abrdn group mutual fund**);

b) the **insurer** may use an **external fund manager**'s insured fund; or

c) the **insurer** may instruct an **external fund manager** to manage funds held in the Standard Life Investment Policy.

In this way, **you** have access to the services of another fund manager without having to invest in a separate product. **You** do not invest directly in an **external fund manager**'s fund.

An **external fund** may also include some money that the **insurer** holds for administrative reasons.

When the **external fund manager** informs the **insurer** of a material alteration to the investment objectives of their fund and you're invested in that fund, **we**'ll inform **you** of the new objectives as soon as **we** can. The notice will say that **you**'ll be able to switch your investment into any alternative fund(s) from the available range. No switch charge will apply but it will continue to be the case that the prices used in the switch may reflect the costs in selling and buying assets in the **funds** so this may reduce the value of your **plan**.

5.5 When **you** instruct **us** on your behalf to buy and sell **units** in an **external fund** which is invested in a **mutual fund**, the **insurer** will buy, hold and sell **units** in the **mutual fund** subject to the terms set out in that **external fund manager**'s fund **prospectus**.

5.6 Where a **fund** is invested in a **mutual fund** managed by an **external fund manager**, the **prospectus** of the **external fund manager**'s fund may allow the **external fund manager** to make changes to this fund (for example, closing, winding up or dividing the **external fund manager**'s fund) as set out in the **external fund manager**'s fund **prospectus**. For full details please refer to the **external fund manager**'s fund **prospectus** which is usually available on the manager's website. Where a **fund** is invested in an **external fund manager**'s fund and the manager fails to administer a **mutual fund** in accordance with the **mutual fund**'s **prospectus**, the **insurer** won't make good any loss that arises. The **insurer** also won't make good any loss that **you** might suffer as a result of a decision made by the **external fund manager** in terms of the fund **prospectus**.

Available funds and lifestyle profiles

5.7 **You** can find out which **funds** and **lifestyle profiles** are available from the current version of our leaflet that's called 'Active Money Personal Pension fund choices and charges guide' (AMPP5a), our website (**http://www.standardlife.co.uk**) or from your **financial adviser**.

Lifestyle profiles are not available if **you** are taking **flexible drawdown**.

5.8 To protect the interest of existing investors, a **fund** may not be available for a temporary period.

5.9 The maximum number of **funds** that **you** can be invested in at any one time under the Standard Life Investment Policy is 12, or 11 if **you** have any money in the **trustee cash account**.

5.10 To run funds efficiently or to meet market needs, the **insurer** can divide a **fund** into more than one fund or combine two or more funds into one fund. If a fund that **you**'re invested in is being divided or combined, **you**'ll normally get 3 months' notice.

Closing or winding-up a fund

5.11 For the reasons specified below, it is necessary for the **insurer** to be able to:

a) close a **fund** to new investments (so that no new **units** in the fund are sold to investors) to protect the interests of existing unitholders under the fund and, for example, one of the reasons for doing so is that the fund manager advises the **insurer** that they cannot continue to meet the investment objectives if more money goes into that **fund**;

b) wind up a **fund** (so that the fund no longer exists), where the fund is no longer commercially viable or beneficial to its unitholders and, for example, two of the reasons for doing so are that the **fund** is too small so that the fixed costs of running the **fund** become too high or that its size does not allow the fund manager to hold an appropriate range of diversified assets;

c) impose restrictions on switches of investments into the **fund** or on investments in the **fund** in respect of single payments, irregular payments or **transfer payments**, where this is required to protect the interests of existing unitholders under the fund and, for example, one of the reasons for doing so is when the fund manager cannot buy the appropriate assets fast enough to match the money going into the **fund** so that the cash holding in the **fund** becomes too high.

The **insurer** may close or wind up an **external fund** if the external fund manager closes or withdraws their fund or if that manager cannot meet the **insurer**'s operational requirements on, for example, the delivery of fund prices.

5.12 If a fund that **you**'re invested in is being closed or wound up, **you**'ll normally get 3 months' notice. **You** may receive less notice if the **external fund manager** closes or withdraws their funds, or a shorter period is necessary to protect the interests of the unitholders with **units** in that fund. When **you** are notified of the closing or winding up of a **fund**, the notice will state the reasons for it, its impact and the date on which it will become effective.

5.13 When **you**'re told that a **fund** is being closed to new money or wound-up, **you**'ll be able to notify **us** of any alternative **fund(s)** from the available range into which **you** would like to direct any existing and/or future investment. No switch charge will apply but it will continue to be the case that the prices used in the switch may reflect the costs in selling and buying assets in the **funds** so this may reduce the value of your **plan**.

If **we** have not heard from **you** or your **financial adviser** by the end of the notice period, the **insurer** will direct any existing and/or future investment into an alternative fund. In choosing the alternative fund the **insurer** will consider which fund has, in the **insurer**'s opinion, the closest investment objectives to the fund being closed or wound-up bearing in mind the charges and volatility rating for the fund being closed or wound-up. The **insurer** may also allocate the extra **units** awarded under Section 5.30 or 5.31 to the fund that was selected by either **you** or the **insurer** as a replacement.

5.14 If a **fund** is being wound-up, the **insurer** will switch any existing **units** invested in that fund to the fund that was selected by the method explained in section 5.13 above. No switch charge will apply but it will continue to be the case that the prices used in the switch may reflect the costs in selling and buying assets in the **funds** so this may reduce the value of your **plan**.

Valuing funds and setting the unit prices

5.15 The Standard Life Investment Policy describes how the **funds** are valued. The **insurer** values a **fund** on each **business day**. It can do so on a maximum ('cost to purchase') basis or on a minimum ('proceeds of sale') basis.

In valuing a fund on a **business day**, the **insurer** bases the value of the fund on the values of the assets in that fund. The **insurer** also allows for any money in the fund (or borrowed by the fund), appropriate taxes and income and expenses due but not yet paid.

5.16 In valuing assets in an **internal fund**, the **insurer** uses prices quoted on the relevant stock exchange, property valuations or its assessment of a fair value depending on the assets in that fund. The **insurer** will deduct its management charge (see Section 5.27) and some fees and expenses out of the assets of **internal funds** before setting the **unit** price.

5.17 In valuing assets in an **external fund**, the **insurer** uses the pricing information provided by the **external fund manager** which will allow for the deduction of the **external fund manager**'s charges and fees and expenses paid by the **external fund manager** out of the assets of their funds. The **insurer** will also deduct its management charge (see section 5.27).

5.18 Once the **insurer** has valued a **fund** on a **business day**, it will use the value as the basis for setting the **unit** price for the following **business day** (and any non-business days before that day). The Standard Life Investment Policy describes how the maximum and minimum values of a **fund** can be used to calculate maximum or minimum **unit** prices. The **insurer** can use the maximum or the minimum value or a value between those two values to maintain fairness between unitholders joining, unitholders remaining in and unitholders leaving that **fund**. The **insurer** will divide the value of the **fund** on the basis that it has chosen by the total number of **units** to get the **unit** price for a **unit**. The maximum **unit** price is rounded up to six decimal places and the minimum **unit** price is rounded up to six decimal places.

For further information ask **us** or your **financial adviser** for a copy of the **insurer**'s leaflet on 'Understanding unit-linked funds'.

5.19 The **insurer** can suspend the valuation of a **fund** to maintain fairness between unitholders joining, unitholders remaining in and unitholders leaving that **fund**. This could occur where, for example, prices are not available from a relevant stock market or its supplier doesn't provide the prices in time.

Allocating and cancelling units

5.20 The Standard Life Investment Policy describes the principles that the **insurer** will use to work out which **unit** prices to use to allocate or cancel **units** in **funds** in particular circumstances. The purpose of the principles is to balance the interests of unitholders remaining in, joining and leaving funds with the interests of the **insurer**. The **insurer** may change the principles and may, for example, start to use a price set after a premium is paid ('forward price') rather than a price set before the premium is paid ('historic price'). Section 5.26 explains when the **insurer** may have to cancel and re-allocate units if a pricing error occurs.

5.21 Where the **insurer** is to allocate **units** in a **fund**, the **insurer** divides the amount available by the appropriate **unit** price of that fund to arrive at the number of **units** to be allocated. The **insurer** allocates **units** in a **fund** to the nearest 1/1000th of a **unit**. It will meet the cost of rounding up and keep any money left over after rounding down. **Units** will be allocated no later than the third **business day** after receiving your instructions.

5.22 Where the **insurer** is to cancel **units** in a **fund** to provide benefits, to pay charges or for reinvestment, the **insurer** multiplies the number of **units** by the appropriate **unit** price of that fund to arrive at the amount available. The **insurer** cancels **units** from each **fund** to the nearest 1/1000th of a **unit**. It will meet the cost of rounding down and keep any money left over after rounding up. Subject to Section 5.23, **units** will be cancelled no later than the third **business day** after receiving your instructions.

For further information ask **us** or your **financial adviser** for a copy of the **insurer**'s leaflet on 'Understanding unit-linked funds'.

Delaying unit cancellation

5.23 The **insurer** can delay cancelling **units** held for **you** if it is necessary to maintain fairness between unitholders remaining in a fund and unitholders leaving a fund. For example, this could be necessary if it takes time to sell a particular type of investment in a fund or the markets are closed for an unforeseen reason. Where this applies, the **insurer** can delay the cancellation of the **units** held for **you** for up to one month or, where the **units** relate to a fund that invests directly or indirectly in buildings or land, for up to six months. If the cancellation involves an **external fund** (or **blended fund**) and the **external fund manager** delays the cancellation, the **insurer** can delay the cancellation until it receives the proceeds of the related **units** in the **external fund manager**'s fund. If the **insurer** delays the cancellation, it will use the **unit** prices that apply on the day on which the cancellation actually takes place.

Switching between funds

5.24 **You** can instruct **us** to switch your investments between the available **funds**. Section 5.29 explains when the **insurer** might charge for these switches. Switches can result in assets being purchased or sold in the **fund** concerned and this can impact on other unitholders in that **fund**. If, in the **insurer**'s reasonable opinion, **you** are switching in and out of particular **funds** to attempt to make short-term gains on your investments at the expense of other unitholders in the **funds**, the **insurer** reserves the right to remove or restrict your access to these **funds** under your **plan**. The **insurer** will give **you** one month's notice before doing so.

5.25 The **insurer** will normally switch or cancel the **units** on the second or third **business day** after receiving your instructions depending on when the instruction was received. However, as explained in section 5.23, there can be some circumstances where transactions can be delayed. For further information ask **us** or your **financial adviser** for a copy of the **insurer**'s leaflet on 'Understanding unit-linked funds' or, for an **external fund** using a **mutual fund**, the relevant **mutual fund prospectus**, which is usually available on the **external fund manager**'s website.

Errors in setting the unit price

5.26 It is a complex process to value funds and set **unit** prices so errors can occur. If the error is material, the **insurer** will aim to put unitholders back, as closely as the **insurer** can, into the position that the unitholders would have been in if the error had not been made. This involves a change to the historic prices. The **insurer** will normally cancel transactions that stem from the use of the incorrect price and then re-do those transactions using the corrected price. This can result in an increase or decrease to the number of units allocated under the policy to a **member**. This is similar to the process that the **insurer** would use for any other error.

If the error is not material, the **insurer** will not normally change historic prices or the number of units allocated under the policy to a **member**.

The **insurer**'s leaflet on 'Understanding unit-linked funds' contains information on how the **insurer** assesses whether or not an error is material. **You** can ask **us** or your **financial adviser** for a copy of the **insurer**'s leaflet.

Charges

5.27 The **insurer** will deduct a management charge for each day from each **fund**. The charge is deducted before the **unit** price is set. The management charge for each day is a percentage of the fund divided by 365 (366 in a leap year).

You can find out the annual rate of the management charge that applies to each **fund** from our leaflet that's called 'Active Money Personal Pension fund choices and charges guide' (AMPP5a) or from your **financial adviser**. For an **external fund** (or **blended fund**), the annual rate allows for the **external fund manager**'s charges. The AMPP5a leaflet is available online at www.standardlife.co.uk.

You can find an illustration of how the management charge is calculated on a daily basis in Annex 2 of these **terms**.

The **insurer** (or the **external fund manager**) will also deduct operating expenses from the **fund**. These operating expenses vary over time and the current estimated amount of those deductions are shown as 'Additional expenses' in the current AMPP5a leaflet.

For further information ask **us** or your **financial adviser** for a copy of the **insurer**'s leaflet on 'Understanding unit-linked funds'.

5.28 The **insurer** has the right to increase the management charge which applies to each **fund**. Increases will reflect increases in the **insurer**'s overall costs (or changes in the assumptions that it makes) in providing the full range of pension funds available under the Standard Life Investment Policy or, if the increase relates to funds of a particular type or an individual fund, an increase in the **insurer**'s costs (or a change in assumptions) for that type of fund or individual fund. It may also increase the charges on a **fund** which is an **external fund** to reflect increases in the costs in running such a fund or increases to the **external fund manager**'s charges or fees. Any increases in charges will not increase the profit margins of the **insurer** above reasonable levels·

The insurer will give **you** 3 months' notice before it increases the management charge of a fund that **you** invest in. Where the **insurer**'s fund is invested in a fund managed by an **external fund manager**, the **insurer** may not be able to give **you** 3 months' notice of an increase in the **external fund manager**'s charge but the **insurer** will notify **you** as soon as is reasonably practical after it is informed of the increase.

When **you're** told that the management charge of an internal or external fund is being increased, the notice will say that **you'll** be able to switch your investment into any alternative **fund**(s) from the available range (including those with a lower charge). No switch charge will apply but it will continue to be the case that the prices used in the switch may reflect the costs in selling and buying assets in the **funds** so this may reduce the value of your **plan**.

5.29 The **insurer** will not normally charge for a switch between the funds available under the Standard Life Investment Policy, but it reserves the right to charge **you** a switching fee if:

a) in our reasonable opinion, **you** are using the switch option to attempt to make short term gains on your investments at the expense of other unitholders in the **funds**; or

b) the fund that **you** are switching into or out of invests in **units** of an **external fund manager** and that **external fund manager** charges the insurer for the transaction.

It is, however, a charge which **we** also reserve the right to impose on all switches, if it becomes necessary for **us** to recover the costs **we** reasonably incur, as a result of carrying out switches between **funds** on your behalf. If **we** do introduce such a charge **we** will give **you** 3 months prior notice.

Credits

5.30 If the value of your investment in the funds is above certain levels, the **insurer** may provide a 'large fund discount' by allocating extra **units** to the ones held for **you** in certain funds in the Standard Life Investment Policy. When **we** create an **account** and issue a confirmation to **you**, **we** will include details of the large fund discount, if any, that applies to **you**. If a discount is payable, the discount under this Section is a percentage of the value of the **funds**.

5.31 If the **insurer** agrees special terms with your adviser (an 'adviser discount') or your employer (a 'workplace discount') also sometimes referred to as a 'rebate', the **insurer** may allocate extra **units** to the ones held for **you** in **funds** under the Standard Life Investment Policy. When **we** create an **account** and issue a confirmation to **you**, **we** will include details of the 'adviser discount' or 'workplace discount', if any, that applies to **you**. The 'workplace discount' may only apply until you take the first income payment from your **drawdown pot**.

5.32 The **insurer** can reduce (or stop applying) the large fund discounts and an adviser discount to reflect increases in its overall costs or changes in the assumptions that it makes. Any reduction or withdrawal of the discounts will not increase the **insurer**'s profits above reasonable levels. The **insurer** will give **you** 3 months' notice before it reduces (or stops) large fund discounts or any adviser discount.

Lifestyle profiles

5.33 The **insurer** may agree to maintain a number of lifestyle profiles for use under your **plan**. Lifestyle profiles can use any **fund** available under your **plan** and by selecting a **lifestyle profile**, **you** are providing both an instruction relating to the investment of new payments and requesting **us** to use an automated switching process. As a **lifestyle profile** involves switching funds, as explained in Section 5.23, there can be some circumstances where transactions can be delayed.

5.34 The **lifestyle profiles** are designed by **us**. **We** review them on a regular basis and can amend the name or objective of the profile, alter the **funds** used within the profile, alter the proportions in which the **funds** are used or change the starting points for each stage after the point that the profile moves away from growth (the glide path). **We** will only make a material alteration to a **lifestyle profile** (including the use of a **fund** or **funds** with a higher management charge) if:

a) the alteration is to comply with our obligations under the Financial Conduct Authority Handbook or any other relevant legislation or regulatory guidance;

b) **we** review the **lifestyle profile** and decide that it is more likely that it can achieve its objective if **we** make changes to the profile;

c) **we** review the **lifestyle profile** and decide that its characteristics and net performance are no longer aligned with the interests of its unitholders;

d) **we** review the **lifestyle profile** and decide that its objective needs amended so it continues to be aligned to the benefit options that members using that profile are likely to select (for example, if there is a change to the level of tax-free lump sum that members can access); or

e) **we** are required, as a consequence of provisions in the Financial Conduct Handbook or any other relevant legislation or regulatory guidance, to limit (or to further limit) charges under your **plan** and, for the profile to remain commercially viable for **us**, **we** need to alter the profile to comply with this limit, for example, by using less expensive funds.

If an alteration to a **lifestyle profile** means selling and buying assets in the **funds** used in the profile, it will continue to be the case that the price of those **funds** may take account of those costs in doing so and this may reduce the value of your **plan**.

5.35 When a material change is proposed to a **lifestyle profile** that **you**'re invested in, **we** will, in normal circumstances, give **you** at least 3 months' notice before the alteration is made. **You** may receive less than 3 months' notice if the **insurer** needs to act quicker to protect the interests of unitholders using that **fund** or we have to implement a legal or regulatory change before a full notice period would end. For example, one of the reasons for a shorter period of notice and acting more quickly is if there are significant changes in financial markets or the economy. When **we** notify you of an alteration, **we** will state the reasons for the alteration, its impact and the date on which the alteration will become effective.

When **you**'re told that a **lifestyle profile** is being altered, **you**'ll be able to notify **us** of any alternative profile or **funds** available from **us** that **you** would like **us** to use for **you**. No switch charge will apply but it will continue to be the case that the prices used in the switch may reflect the costs in selling and buying assets in the **funds** so this may reduce the value of your **plan**.

5.36 **We** can close a **lifestyle profile** and stop accepting instructions from new members to use that profile (or stop accepting instructions from existing members to switch into that profile) or wind up a **lifestyle profile** if:

a) **we** review the **lifestyle profile** and decide that its characteristics and net performance are no longer aligned with the interests of its unitholders;

b) **we** review the **lifestyle profile** and decide that its objective is no longer appropriate given the benefit options that members using that profile are likely to select (for example, if there is a change to the level of tax-free lump sum that members can access) and, for technical or other reasons, **we** decide to use a new profile rather than alter the existing one;

c) **we** are required, as a consequence of provisions in the Financial Conduct Authority Handbook or any other relevant legislation or regulatory guidance, to limit (or further limit) charges under your **plan** and the profile is no longer commercially viable for **us**.

5.37 If a **lifestyle profile** that **you**'re invested in is being wound up, **you**'ll normally get 3 months' notice but **you** may receive less than 3 months' notice if the **insurer** is acting to protect the interests of unitholders using that profile or **we** have to implement a legal or regulatory change before a full notice period would end. When **we** notify **you** of the wind up, **we** will state the reasons for it, its impact and the date on which it will become effective.

When **you**'re told that a **lifestyle profile** is being wound up, **you**'ll be able to notify **us** of any alternative profile or **funds** available from **us** that **you** would like to direct **us** to use for **you**. If **we** have not heard from **you** or your **financial adviser** by the end of the notice period, the **insurer** will switch any units invested using the existing **lifestyle profile** into the **funds** used by an alternative profile for an individual with the same period to their expected **pension date** as **you** have. **We** will select the **lifestyle profile** that has, in our opinion, the closest investment objectives to the profile being removed.

No switch charge will apply but it will continue to be the case that the prices used in the switch into another profile or **funds** may reflect the costs in selling and buying assets in the **funds** (including those used in the profiles) so this may reduce the value of your **plan**.

Notices

5.38 If **you** receive a notice in accordance with Sections 5.3 to 5.4, Sections 5.12 to 5.13, Section 5.28, Section 5.32, Section 5.35 or Section 5.37, **you** have the option under Section 10 to transfer your **plan** to another scheme. But, as occurs with any other **transfer payment**, if **you** do so then the prices used in cancelling the units may include the costs in selling assets in the **fund**(s) in which **you** are invested and **we** will deduct any transfer charges arising from commission that **we** have already paid out on your behalf (see Section 7.16).

Assigning the Standard Life Investment Policy

5.39 The Standard Life Investment Policy is a master policy and not an individual policy held on your behalf. This means that **you** can't ask the **trustee** to assign the Standard Life Investment Policy to the trustees of another scheme.

6. Trustee cash account

6.1 **You** can choose to hold some or all of the money that's in your **plan** in the **trustee cash account**. It's a deposit account that's currently provided by HSBC plc. The account holder is the **trustee** but **we** operate the account on behalf of the **trustee**. The deposit account is a pooled account which means that it contains holdings for a number of planholders in the **scheme**. **We** will however keep a record of your holding in the **trustee cash account** each day. If there is a shortfall and HSBC plc is unable to meet its financial obligations, your **plan** may bear a share of the shortfall.

6.2 HSBC Bank plc will calculate interest on a daily basis and pay it to **us** each month in arrears. In normal conditions **we**'ll then apply part of that interest to your holding in the trustee cash account. Providing **we** receive enough interest from HSBC Bank plc, the rate of interest **we** pay to your holding in the trustee cash account will generally be 1% below the Bank of England base rate. (This means that if the base rate is 1% or less **we**'ll pay 0% unless **we** tell you otherwise.) **We'll** keep the rest of the interest earned on the account as part of our overall income under the AMPP products. Please contact **us** or your financial adviser if **you** wish to know the current interest rate that **we** apply.

6.3 **We**'ll give you three months' notice before changing the above formula.

7. Charges

7.1 This Section describes all the types of charges that **we** may apply to your **plan**. The charges payable by **you** depend on the **funds you** choose to invest in and the commission **we** pay to your **financial adviser**. The charges will be shown in your **illustration**. **You** can obtain information on the current level of each of these charges from **us**.

Fund management charge

7.2 Sections 5.27 and 5.28 describe the management charges that apply to the **funds** provided under the Standard Life Investment Policy and the basis on which they can be increased. Section 5.29 describes when a switch charge may apply.

7.3 Sections 5.30 to 5.32 describe when and how the **insurer** adds extra **units** to your holdings in the **fund(s)** in which **you**'re invested. This reduces the effect of the management charge.

Financial adviser's remuneration

7.4 **You** can pay your **financial adviser** for their services by paying a fee directly to them. Or **you** can use your **plan** to pay for these services.

As a result of regulatory changes, **we** haven't been able to pay commission to your **financial adviser** from your **plan** for advice **you** received on or after 31 December 2012. But since 15 October 2012 **you** have been able to ask **us** to pay **adviser charges** from your **plan**. For full details of these charges please read our 'Terms and conditions for paying your adviser' booklet that's coded PENAC62. Please note that **we**'ll stop paying any **level commission**, **fund based renewal commission** and fees if **you** ask **us** to start paying an 'ongoing adviser charge' from your **plan**.

Sections 7.5 to 7.19 explain how your **financial adviser**'s remuneration will impact upon your **plan** if **we** have agreed to pay commission on your behalf for advice received before 31 December 2012. These Sections also explain the circumstances in which **we**'ll stop paying commission.

Section 7.20 explains the restrictions that apply to any fees which were in payment from your **plan** before 15 October 2012 and the circumstances in which **we**'ll stop paying them.

Charges for level commission or financial adviser remuneration: regular payments

7.5 For payments to your **flexible account**, **you** could have asked **us** to pay **level commission** to your **financial adviser** for advice **you** received before 31 December 2012. Where **we** have agreed to do so, **we** make an **initial charge** from each payment. The amount of the **initial charge** is the same as the amount of the **level commission**. **We**'ll have shown the level of the **initial charge** in the account confirmation that **we** gave **you**.

Since 15 October 2012, **we** won't agree to increase the percentage of any **level commission** that's already being paid. And **we**'ll stop paying any **level commission** to your **financial adviser** (and stop deducting that amount as an **initial charge**) if **you**:

a) increase or restart regular payments; or

b) add indexation to the regular payments (as described in Sections 4.9 to 4.12); or

c) change the level of the indexation; or

d) instruct us to stop paying **level commission**.

Charges for initial commission or financial adviser remuneration: regular payments

7.6 For regular payments to your **flexible account**, **you** could have asked **us** to pay **initial commission** to your **financial adviser** for advice **you** received before 31 December 2012. Where **we** have agreed to do so, **we** make an **additional charge** from your **plan** during the **charging period**. **We**'ll have shown the monthly amount of the **additional charge** and the **charging period** in the account confirmation that **we** gave **you**. **We**'ll continue to collect the **additional charge** up to the end of the **charging period** even if the regular payments stop.

7.7 If there was a delay in starting payments to the **flexible account** and **we** received several payments at once, **we**'ll normally have collected the number of **additional charges** at that time which corresponded to the number of months' payments **we** received at that time.

7.8 **We**'ll make a **transfer charge** if, before the end of the **charging period**:

a) **you** use some or all of your **plan** to buy an annuity;

b) **you** take a transfer value;

c) **we** pay a transfer value for your ex-spouse or ex-civil partner under a **pension sharing order**;

d) **we** have to comply with a **restoration order** or any other type of court order; or

e) **we** pay a **refund of excess contributions lump sum.**

We'll also make a **transfer charge**, without the proportioning described in c) and d) of section 7.9, when **you** take the first income payment from your **drawdown pot** (including full encashment) before the end of the **charging period**.

7.9 **We**'ll calculate the **transfer charge** by:

a) multiplying the monthly **additional charge** by

b) the number of **monthly charge dates** left in the **charging period** then calculating the 'relevant proportion' of this amount by

c) multiplying it by the annuity purchase price or transfer value and

d) dividing it by the value of the **plan** before the annuity purchase price or transfer value is deducted.

In this calculation and in Section 7.10, 'annuity purchase price' includes the value of any related lump sum and 'transfer value' includes the payments described in d) and e) of section 7.8.

7.10 Once the annuity purchase price or transfer value has been paid and the **transfer charge** has been deducted, **we**'ll reduce the monthly **additional charge** by the 'relevant proportion' calculated in Section 7.9 for the rest of the **charging period**. However, depending on the size of the annuity purchase price or transfer value in relation to the value of the **plan**, **we** may instead choose either not to make a **transfer charge** (and continue collecting the monthly **additional charge**) or to deduct the full **transfer charge** without the proportioning described in c) and d) of Section 7.9 (and stop collecting the monthly **additional charge**).

Charges for initial commission or financial adviser remuneration: single or transfer payment

7.11 For a single or **transfer payment**, **you** could have asked **us** to pay **initial commission** to your **financial adviser** from the **account** set up for that payment for advice **you** received before 31 December 2012. The amount of the **initial charge** was the same as the amount of the **initial commission**.

7.12 Where **we** agreed to do so, **we** deducted the **initial charge** after **we** created the **account**. And **we**'ll have shown the amount of the **initial charge** in the account confirmation that **we** gave **you**.

Charges for funded initial commission or financial adviser remuneration: single or transfer payment

7.13 For single or **transfer payments**, **you** could have asked **us** to pay **funded initial commission** to your **financial adviser** for advice **you** received before 31 December 2012. Where **we** have agreed to do so, **we** make an **additional charge** from the **account** set up for the single or **transfer payment**. **We** express the **additional charge** as a percentage of the value of the **account** and **we** deduct the **additional charge** from the **account** on the **monthly charge date** during the **charging period**. Since the **additional charge** is a percentage of the **account**, the sum of money **we** deduct each month will depend on the value of the **account** on that **monthly charge date**.

7.14 **We**'ll have shown the level of the **additional charge** (as a percentage), and the last **monthly charge date** on which **we**'ll collect it, in the account confirmation that **we** gave **you**.

7.15 If **we**'re making an **additional charge** from a **pre pension date account** and **you** apply a **pension date** to all or part of that **account** during the **charging period**, **we**'ll also make an **additional charge** from the **post pension date account** that's created.

Where **you** take a lump sum or **we** pay a **lifetime allowance charge**, **we** will not be collecting the **additional charge** on those amounts. The yearly rate of the **additional charge** on the **post pension date account** is increased to allow for the money paid out. When a **pre pension date account** becomes a **post pension date account** the last **monthly charge date** will remain the same.

We'll calculate the higher **additional charge** for the **post pension date account** by:

a) multiplying the **additional charge** by the value of the **post pension date account** at **pension date**; and

b) dividing it by the balance of the **post pension date account** after the lump sum and any **lifetime allowance charge** are taken off.

7.16 **We**'ll make a **transfer charge** if:

- **you** take a **transfer payment**;
- **we** pay a transfer value for your ex-spouse or ex-civil partner under a **pension sharing order**;
- **we** comply with a **restoration order** or any other type of court order; or
- **we** pay a **refund of excess contributions lump sum**;

out of any of your **account(s)** which are subject to an **additional charge** and still within their **charging period**.

We'll also make a **transfer charge** when **you** take the first income payment from your **drawdown pot** (including full encashment) before the end of the **charging period**. In this case the charge will be calculated as if the whole account was being transferred.

We'll calculate the **transfer charge** for an account by:

a) multiplying the yearly rate of the **additional charge** that applies to that **account** by

b) the number of **monthly charge dates** from the transfer date up to the end of the **charging period**

c) dividing this percentage by 12, and

d) multiplying the above by the amount being transferred or paid.

We'll deduct the **transfer charge** from the amount being transferred or paid.

So, assuming that the yearly rate of the **additional charge** is 0.5%, that the number of **monthly charge dates** up to the end of the **charging period** is 26 and the value of the **account** being transferred is £10,000, the **transfer charge** will be:

$$\frac{0.5\% \times 26 \times 10{,}000}{12} = £108.33$$

So **you** will be able to transfer £10,000 – 108.33 = £9,891.67.

7.17 **We**'ll also make a **transfer charge** if **you** intend to use all or part of a **post pension date account** that's subject to an **additional charge** to buy an **annuity** during the **charging period**. **We**'ll calculate the **transfer charge** for an **account** by:

a) multiplying the yearly rate of the **additional charge** that applies to that **account** by

b) the number of **monthly charge dates** from the **annuity** purchase date up to the end of the **charging period**

c) dividing this percentage by 12, and

d) multiplying the above by the amount **you** intend to use to buy the **annuity**.

We'll deduct the **transfer charge** from the **post pension date account**.

Continuing from the previous example, if the yearly rate of the **additional charge** is 0.5%, the number of **monthly charge dates** from the date the **annuity** is purchased up to the end of the **charging period** is 14 and the cost of the **annuity** is £5,000, the **transfer charge** will be:

$$\frac{0.5\% \times 14 \times 5{,}000}{12} = £29.17$$

So **you** will be able to use £5,000 – 29.17 = £4,970.83 to buy an **annuity**.

Charges for fund based renewal commission or financial adviser remuneration

7.18 **You** could have asked **us** to pay **fund based renewal commission** to your **financial adviser** from an **account** for advice **you** received before 31 December 2012. Where **we** have agreed to do so, **we** make a **regular charge** from the **account**. The amount of the **regular charge** is the same as the amount of the **fund based renewal commission**. **We** express both as a percentage of the **account**.

7.19 **We**'ll deduct the **regular charge** on the **monthly charge date** if **we**'re paying monthly **fund based renewal commission**, or on the **yearly charge date** if **we**'re paying yearly **fund based renewal commission**.

We'll have given **you** confirmation of the level of the **regular charge** as a percentage of the **account** to which it applies.

Since 15 October 2012, **we** won't agree to increase the percentage of any **fund based renewal commission** that's already being paid from an **account**. And if **we**'re already paying **fund based renewal commission** to your **financial adviser** from an **account**, **we**'ll stop paying that commission and stop deducting the **regular charge** from that **account** if:

a) in relation to the **flexible account**, **you** increase or restart regular payments, add indexation to the regular payments (as described in Sections 4.9 to 4.12) or change the level of the indexation, or

b) in relation to any **account**, **you** instruct **us** to stop paying **fund based renewal commission** from that **account**.

Fees

7.20 **We** won't accept any new request from **you** to pay fees to your **financial adviser**. If fees are already being paid as a percentage of your **plan** value, that percentage can't be increased. And if fees are already being paid as a set monetary amount, that amount can't be increased.

We'll stop paying fees from your **plan** if **you** instruct **us** to, or if **we** need to do so to comply with regulatory requirements.

Collecting charges for commission & fees

7.21 **We**'ll collect the charges for commission and fees in one of three ways:

a) by cancelling units proportionately from the **funds** in which **you**'re invested;

b) by taking money from your holding in the **trustee cash account**; or

c) by doing both in proportion to how much of your **plan** is invested in funds and how much is held in the **trustee cash account**.

You can tell **us** which method **you**'d like **us** to use. If **you** don't make a choice, **we**'ll collect the charges and pay the fees in the way described in c). If **you** ask **us** to take money from your holding in the **trustee cash account** but there isn't enough money there, **we**'ll cancel units instead.

Administration charges

7.22 If **we** have provided an online facility for **you** to change your income instructions, **we**'ll make an 'administration charge' if **you** don't use that online facility and **you** ask us to change your income within 12 months of your last income instruction. **We**'ll waive this charge if our online service is unavailable for any reason or **you** have opted to use the services of Standard Life Client Management described in section 7.24.

We'll give you confirmation of the level of this charge before **we** apply it. **We**'ll collect the charge in accordance with section 7.21(c).

7.23 If **you** joined the **scheme** on or after 25 February 2016, **we** reserve the right to make a 'transaction charge' where **you** ask **us** to carry out a transaction for **you** instead of using an online facility that's available for **you** to carry out the transaction yourself. If you contact **us**, **we**'ll give **you** full details of the transaction charge before carrying out your instruction and the full schedule of charges will be made available to **you** online or on request. **We**'ll waive this charge if our online service is unavailable for any reason.

We'll collect the charge in accordance with section 7.21(c).

7.24 If you joined the **scheme** before 25 February 2016 and **you**'ve opted to use the services of Standard Life Client Management, charges for their services will be collected from your **plan** in accordance with section 7.21(c).

For information on Standard Life Client Management and their current services and charges please read 'Schedule of Charges and Services' (SLCMAMPP20). Standard Life Client Management reserve the right to make changes to the charges and services they provide. **You** can opt out of this service at any time by contacting Standard Life Client Management on 0345 278 5622.

Standard Life Active Retirement service charge

7.25 Standard Life Active Retirement (SLAR) is our ready-made investment option for **members** without a **financial adviser** who want to draw down their money in retirement. **You** can find out more about SLAR and the terms and conditions applying to this investment option in our guide 'Standard Life Active Retirement - For accessing your pension money' (SLAR1).

If **you** joined the **scheme** on or after 25 February 2016 there is a service charge for using SLAR. The SLAR service charge covers:

- Standard Life's investment experts choosing the funds in each of the three pots for you and regularly reviewing them;
- Managing the initial split of your money across the three pots;
- Managing your withdrawals to make sure your money is taken from the right pot;
- Providing you with ongoing communications and support so you can decide if SLAR continues to reflect your investment goals and needs throughout your retirement.

The SLAR service charge is an ongoing charge and will be collected monthly in accordance with section 7.21(a) above.

The level of the SLAR service charge depends on the value of your plan when **you** first choose SLAR (or when **you** come back to SLAR after picking your own funds). There are full and up-to-date details of the SLAR service charge levels in the SLAR1 guide which will be made available to **you** before **you** make your investment decision.

We'll stop collecting the SLAR service charge if **you** choose to stop using SLAR.

Changes to administration and service charges

7.26 **We**'ll regularly review the charges described in sections 7.22, 7.23 and 7.25 and retain the right to vary these charges where **we** feel it is necessary and reasonable to do so. This includes levying new types of charges, setting minimum charges, removing charges and varying the level of an existing charge. Charges may be changed or levied:

a) to simplify the charging structure for existing customers;
b) to take account of changes to the law, regulatory guidance, codes of practice or the way in which we are regulated;
c) to take account of a decision by a court, ombudsman, regulator or similar body;
d) where a new service or option under the product becomes available and **you** agree to such services and any relevant charges, having the opportunity to opt out;
e) to reflect increases in our reasonably incurred costs of providing the Active Money Personal Pension; and

f) to reflect increases in our reasonably incurred costs in providing particular options and services available under your **plan**.

We'll give **you** three months' notice before the adjustment takes effect.

8. Benefits at pension date

8.1 **You** can select the **pre pension date accounts** that **you** wish to apply a **pension date** to. If **you** choose to apply a **pension date** to your **plan** but **you** don't choose an **account**, **we**'ll apply a **pension date** to the oldest **account** first except for any **flexible account** which **we**'ll leave to last.

8.2 As explained in Section 2.3, each time **you** ask **us** to start paying **you benefits** from a part of your **plan**, **we**'ll apply a **pension date** to it. A **pension date** can be applied to all (or part) of a **pre pension date account**. The part to which **we** apply a **pension date** becomes a **post pension date account**. **We** can, at your request, apply a **pension date** to different **pre pension date accounts** at different times. This Section describes the **benefits** which are payable to **you** from each **post pension date account**.

Your pension date

8.3 Any **pension date you** choose cannot be earlier than the 'normal minimum pension age' (which has been 55 since 6 April 2010 and is expected to rise to 57 in 2028) unless:

a) **you** have transitional rights to a protected pension age (which is the mechanism set up by **HMRC** when it simplified the pensions tax regime from 6 April 2006 to protect rights built up before that date) and **you** satisfy the conditions in the **rules**. If **you** think that **you** may qualify, please speak to your **financial adviser**; or

b) **we**'re satisfied that **you** are, and will continue to be, incapable of carrying on your occupation because of physical or mental impairment. (In this case **you** must provide medical evidence to show that **you**'ve become incapable of carrying on that occupation and are unlikely to return to it.)

To find out more about protected pension age and early retirement pension dates due to ill health please contact your **financial adviser**.

8.4 There's no maximum **pension date**. But if **you** die on or after your 75th birthday, any death benefit paid from your **plan** will be taxed (see sections 9.6 and 9.12).

8.5 **You** can't ask **us** to apply a **pension date** to a **pre pension date account** before the **account** is created or before **we** receive your instruction.

Taking benefits from a pension date

8.6 At a **pension date you** may, subject to the conditions set out in the rest of section 8, choose from the following benefit options:

a) a **tax free lump sum** plus **flexible drawdown** (including £0 income or full encashment);

b) a **tax free lump sum** plus an **annuity**;

c) **flexible drawdown** only; or

d) **annuity** only.

If **you** choose option a) or c) and **you** also choose to invest in one of our **Investment Pathway funds**, you must invest your whole **drawdown pot** in that **Investment Pathway fund**.

We will deduct any lifetime allowance charge (as detailed in section 4.21) before paying any benefits.

8.7 When **we** apply a **pension date** to a **pre pension date account** and create a new **post pension date account**, **we**'ll cancel units proportionately from all the **funds** in which **you** are invested and take money from your holding in the **trustee cash account**, to the value of that new **post pension date account**.

You will normally be able to take some of the new **post pension date account** as a **tax-free lump sum** at **pension date**. Once the **tax-free lump sum**, if any, has been paid the balance of the **post pension date account** can be used to provide benefits for **you**. This means:

a) **you** can use the balance to buy an **annuity** (as described in section 8.10); or

b) **you** can take **flexible drawdown** from the balance (with flexible drawdown the balance can be fully encashed and paid out as a lump sum payment)

Tax free lump sum

8.8 **You** cannot take a tax free lump sum at a **pension date** if the whole of the **account** to which the **pension date** is being applied represents a 'disqualifying pension credit'. (This applies on divorce if **you** receive a share of a pension held by your former spouse or former civil partner that is already providing **benefits**.)

The maximum tax free lump sum is normally 25% of the value of the **post pension date account** from which the lump sum is being paid (excluding any disqualifying pension credit). A higher amount may be available if **you** have transitional rights (which is the mechanism set up by HMRC when it simplified the pensions tax regime from 6 April 2006 to protect rights built up before that date). A lower percentage may, however, apply with one form of transitional rights. If **you** think that transitional rights might apply to **you**, please contact your **financial adviser**.

You can't take **a tax free lump sum** from a **transfer payment** of a **drawdown pension fund** received from another scheme.

8.9 **We**'ll provide the lump sum at **pension date** from the investments that we move out of the **savings investment mix**. If **you** don't give us any instructions about how to move your investments (and therefore how to provide your **tax-free lump sum**), **we**'ll move a proportion of each investment in the **savings investment mix**. If this does not provide sufficient funds **we** will pay the lump sum (or balance) from your holding in **the trustee cash account.**

If **you** ask us to target specific investments in the **savings investment mix** and any one of these funds has been exhausted, we'll move a proportion of all of the funds in the **savings investment mix instead.**

Buying an annuity

8.10 **You** can ask **us** to buy a pension (called an **annuity**) from any **insurance company**. **You** can choose any type of **annuity** that is allowed by the **rules**.

Flexible drawdown

8.11 **You** can take income from each **post pension date account**. **You** can increase, decrease, stop and restart your income at any time. If **you** want to change the level of your income you must tell us at least 5 **business days** before the next payment date. Section 7.22 explains when a charge to change income amount may apply. **We**'ll stop paying the income when **you** die.

8.12 **You** can ask us to make additional one-off payments from time to time. **We** may not agree to a one-off payment if the amount is too small to be cost-effective for **us** to process or if the number of requests means that **you** should ask for (or increase) your regular income.

8.13 If **you** ask **us** to do so, **we** will set up regular income payments. These regular income payments can be paid monthly, every 3 months, every 4 months, every 6 months or once a year. **You** can choose the day of the month on which **you**'d like us to pay your regular income, excluding the 29th, 30th & 31st days. The same payment frequency and date of payment must apply to all regular income paid from your **post pension date accounts.**

8.14 If **you** take **income you** get a **money purchase annual allowance** of £4,000 as explained in section 4.20.

8.15 If the value of your **plan** drops below a level at which it would normally be cost-effective for **us** to administer it, **we**'ll contact **you** to discuss an appropriate timescale for **you** to encash the balance of your **plan**.

8.16 **You** can tell us which funds **we** should cancel units from to provide your income. If **you** don't give **us** any instructions or if any of the funds **you**'ve asked **us** to target has been exhausted, **we**'ll cancel units proportionately from all the investment funds held in the **drawdown investment mix**.

8.17 If **you** choose the Standard Life Active Retirement investment solution (SLAR), **you** should read our guide 'Standard Life Active Retirement - Accessing your pension fund' (SLAR1) for the terms and conditions which apply and for a full explanation about how the solution works. If **you** joined the scheme on or after 25 February 2016, **we** make a SLAR service charge which is explained in section 7.25.

Taking a regular tax-free lump sum

8.18 **You** can ask **us** to pay your **tax free lump sum** in regular amounts. We call this option **tailored drawdown**.

It's is not available if **you** have a protected **lifetime allowance** or have protected or restricted rights to a **tax-free lump sum**.

8.19 If **you** choose **tailored drawdown** this means that **you** tell us the gross payment **you** want to receive regularly. **We** take a **tax-free lump sum** from your **savings pot** which matches that gross amount and pay it to **you**. **We** also move an amount equal to three times that sum out of the **savings pot** and into the **drawdown pot** Everything that's

moved out of the **savings pot** is tested against your **lifetime allowance**. **You** must tell **us** if **you** take benefits from any other pension provider so that **we** can tell if **you** have exceeded your **lifetime allowance**.

8.20 If you're not using the Standard Life Active Retirement investment option and either **you** don't give **us** an instruction or one of the funds **you** have asked **us** to target has been exhausted, **we**'ll cancel units proportionately from the funds in the **savings pot** (in respect of the **tax-free lump sum**).

8.21 Where **we** can reasonably anticipate that your savings pot is going to be too small to support your next payment, **we**'ll suspend the payment and contact **you** for your agreement before **we** start using your drawdown pot to provide the amount **you** require.

8.22 **We**'ll stop providing **tailored drawdown** if:

a) **you** ask **us** to stop;

b) there is nothing left in your **savings pot**; or

c) **you** have no entitlement to a **tax-free lump sum** left.

However **you** can continue to take an income, without a **tax-free lump sum**, from your **drawdown pot**.

Serious ill-health lump sum

8.23 If **we** receive satisfactory evidence from a registered medical practitioner that **you**'re expected to live for less than one year, **you** may have the option of taking the proceeds of your **savings pot** as a lump sum. If **you**'re under age 75, **we**'ll deduct any lifetime allowance charge from the lump sum. If **you**'re aged 75 or older, **we**'ll deduct the relevant tax charge. The lump sum must satisfy the conditions set out in the rules. If **you** have any questions about taking a serious ill-health lump sum, please speak to our AMPP Customer Centre. Their contact details are in section 1.

9. Death benefits

Death benefits from the savings pot

9.1 Sections 9.1 – 9.6 describe the death benefits that are payable from your **savings pot**.

After your death, **we**'ll normally cancel all the remaining units held under your **savings pot** before distributing the proceeds plus any money held for **you** in the **trustee cash account** to your beneficiaries or using them to provide a pension for your **beneficiaries**.

9.2 **We may pay** a lump sum death benefit from your **savings pot.**

We'll decide who should receive a lump sum death benefit, and how much, from the list of beneficiaries described in the **rules**. But **you** can help **us** make this decision by telling **us** the names of the nominees to whom **you**'d like **us** to pay the lump sum death benefit. These can include the trustees of any trust that **you**'ve set up. **We** will take your views into account but **we** are not obliged to follow them.

A **beneficiary** who is an individual can ask **us** to provide a pension (as explained in section 9.3) instead of receiving a lump sum death benefit. (If you die leaving any surviving **dependants** or **nominees**, a **beneficiary** who is not a **dependant** or **nominee** cannot ask for a pension.)

Beneficiary's pension

9.3 **We**'ll provide a pension for your **beneficiary** if your **beneficiary** has asked **us** to do so instead of receiving a lump sum death benefit under section 9.2. However, **we** won't provide a pension for anyone who is not a **dependant** or **nominee** unless **you** die leaving no surviving **dependants** or **nominees**.

9.4 A **beneficiary** can ask for:

a) a **beneficiary's drawdown plan** to take **flexible drawdown** from your date of death under sections 9.14 – 9.19 (with **flexible drawdown** it can still be fully encashed and paid out as a one-off income payment); or

b) an **annuity** payable to them from any **insurance company** as long as it's allowed under the **rules**.

They can transfer their **beneficiary's drawdown plan** in accordance with sections 10.5 – 10.8.

9.5 **We** won't agree to a **beneficiary** taking **flexible drawdown** unless they have agreed to be bound by these terms or upgrade to our Self Invested Personal Pension and agree to be bound by the terms of that product.

We won't offer **flexible drawdown** to a **beneficiary** who is under age 16.

Taxation of death benefits from the savings pot

9.6 If **you** die under age 75, and your death benefits are settled within two years of notification of your death, any death benefit paid from your **savings pot** is tested against your remaining **lifetime allowance**. Any lump sum death benefit that exceeds this limit is subject to income tax at your **beneficiary's marginal rate**. The rest of the lump sum death benefit, and any **flexible drawdown** or **annuity** payments, are tax-free.

If **you** die under age 75, and your death benefits are not settled within two years of notification of your death, any lump sum death benefit paid from your **savings pot** is subject to income tax at your **beneficiary**'s **marginal rate**. If the recipient is not an individual, it is subject to a 45% tax charge. **We**'ll deduct the tax before paying it out. Any **flexible drawdown** or **annuity** payments are also subject to income tax at your **beneficiary**'s **marginal rate**.

If **you** die aged 75 or older, any lump sum death benefit paid from your **savings pot** is subject to income tax at your **beneficiary**'s **marginal rate**. If the recipient is not an individual, it is subject to a 45% tax charge. **We**'ll deduct the tax before paying it out. Any **flexible drawdown** or **annuity** payments are also subject to income tax at your **beneficiary**'s **marginal rate**.

If **you** die leaving no surviving **dependants** and **we** pay a lump sum death benefit to a charity nominated by **you**, that lump sum death benefit won't generally be subject to tax. For more information, please see our leaflet 'Information about tax relief, limits and your pension' (GEN658).

Death benefits from the drawdown pot

9.7 Sections 9.7- 9.12 describe the death benefits that are payable from your **drawdown pot**.

After your death, **we**'ll normally cancel all the remaining units held under your **drawdown pot** before distributing the proceeds plus any money held for **you** in the **trustee cash account** to your **beneficiaries** or using them to provide a pension for your **beneficiaries**.

9.8 **We** may pay a lump sum death benefit from your **drawdown pot**.

We'll decide who should receive a lump sum death benefit, and how much, from the list of **beneficiaries** described in the **rules**. **You** can help us make this decision by giving **us** the names of the **nominees** to whom **you**'d like us to pay the lump sum death benefit. These can include the trustees of any trust that **you**'ve set up. **We**'ll take your views into consideration but **we**'re not obliged to follow them.

A **beneficiary** who is an individual can ask **us** to provide a pension (as explained in section 9.9) instead of receiving a lump sum death benefit. (If **you** die leaving any surviving **dependants** or **nominees**, a **beneficiary** who is not a **dependant** or **nominee** cannot ask for a pension.)

9.9 **We**'ll provide a pension for your **beneficiary** if your **beneficiary** has asked **us** to do so instead of receiving a lump sum death benefit under section 9.8. However, **we** won't provide a pension for anyone who is not a **dependant** or **nominee** unless **you** die leaving no surviving **dependants** or **nominees**.

9.10 A **beneficiary** can ask for:

a) **a beneficiary's drawdown plan** to take **flexible drawdown** from your date of death under sections 9.14 – 9.19 (with **flexible drawdown** it can still be fully encashed and paid out as a one-off income payment); or

b) an **annuity** payable to them from any **insurance company** as long as it's allowed under the **rules**.

They can transfer their **beneficiary's drawdown plan** in accordance with sections 10.5 – 10.8.

9.11 **We** won't agree to a **beneficiary** taking **flexible drawdown** unless they have agreed to be bound by these terms or upgrade to our Self Invested Personal Pension and agree to be bound by the terms of that product.

We won't offer **flexible drawdown** to a **beneficiary** who is under age 16.

Taxation of death benefits from the drawdown pot

9.12 If **you** die under age 75, and your death benefits are settled within two years of notification of your death, any lump sum death benefit paid from your **drawdown pot** and any **flexible drawdown** or **annuity** payments are tax-free.

If **you** die under age 75, and your death benefits are not settled within two years of notification of your death, any lump sum death benefit paid from your **drawdown pot** is subject to income tax at your **beneficiary**'s **marginal rate**. If

the recipient is not an individual, it is subject to a 45% tax charge. **We**'ll deduct the tax before paying it out. Any **flexible drawdown** or **annuity** payments are tax-free.

If **you** die aged 75 or older, any lump sum death benefit paid from your **drawdown pot** is subject to income tax at your **beneficiary**'s **marginal rate**. If the recipient is not an individual, it is subject to a 45% tax charge. **We**'ll deduct the tax before paying it out. Any **flexible drawdown** or **annuity** payments are also subject to income tax at your **beneficiary**'s **marginal rate**.

If **you** die leaving no surviving **dependants** and **we** pay a lump sum death benefit to a charity nominated by **you**, that lump sum death benefit won't generally be subject to tax. For more information, please see our leaflet 'Information about tax relief, limits and your pension' (GEN658).

Beneficiary's drawdown plan

9.13 A **beneficiary** or a **successor** can tell **us** how they want their **beneficiary's drawdown plan** to be invested.

Flexible drawdown

9.14 A **beneficiary** or a **successor** can **take flexible drawdown** from some or all of their **beneficiary's drawdown plan.** We will not administer **flexible drawdown** under this plan if your **beneficiary** or **successor** has a financial adviser. However they could upgrade to our Self Invested Personal Pension (see section 2.11) or transfer to another **flexible drawdown** provider.

Taking **flexible drawdown** from a **beneficiary's drawdown plan** won't affect a **beneficiary's** or **successor**'s **annual allowance**.

9.15 A **beneficiary** or a **successor** can increase, decrease, stop and restart their income at any time. If they want to change the level of their income, they must tell **us** at least 5 business days before the next payment date. Section 7.22 explains when a charge to change income amount may apply**. We**'ll stop paying the income when the **beneficiary** or **successor** dies.

9.16 A **beneficiary** or a **successor** can also ask **us** to make additional one-off payments from time to time. **We** may not agree to a one-off payment if the amount is too small to be cost-effective for **us** to process or if the number of requests means that they should ask for (or increase) their regular income.

9.17 **We**'ll pay their income in monthly instalments unless they ask **us** to pay it every 3 months, every 4 months, every 6 months or once a year. Unless **we** agree otherwise, the same payment frequency must apply to all regular income paid from the **beneficiary's drawdown plan** set up for that **beneficiary** or **successor**.

9.18 A **beneficiary** or a **successor** can choose the day of the month on which they'd like **us** to pay their income, excluding the 29th, 30th and 31st days. Unless **we** agree otherwise, all regular income from the **beneficiary's drawdown plan** set up for that **beneficiary** or **successor** must be paid on the same payment dates.

9.19 A **beneficiary** or a **successor** can tell **us** which funds **we** should cancel units from to provide their income. If they don't give **us** any instructions or if any one of the funds they've asked **us** to target has been exhausted, **we**'ll cancel units proportionately from all their funds.

Buying an annuity

9.20 A **beneficiary** can ask **us** to use all (or part) of a **beneficiary's drawdown plan** to buy an **annuity**.

9.21 They can ask **us** to buy the **annuity** from any **insurance company**. They can choose any type of **annuity** that is allowed by the **rules**.

Death of beneficiary or successor in drawdown

9.22 After we're notified of a beneficiary's or a successor's death we'll normally:

a) cancel all the remaining units held for them under the plan; and
b) pay the cash proceeds into the trustee cash account;

before distributing them to the successors of the deceased beneficiary or successor or using them to provide a pension.

9.23 If a beneficiary or a successor dies before all of their beneficiary's drawdown plan has been exhausted, we may pay a lump sum death benefit from that beneficiary's drawdown plan.

We'll decide who should receive a lump sum death benefit, and how much, from the list of beneficiaries described in the rules. A beneficiary or a successor can help us make this decision by giving us the names of the successors

to whom they'd like us to pay the lump sum death benefit. We'll take their views into account but we're not obliged to follow them.

9.24 A successor who is an individual can ask for a pension instead of receiving a lump sum death benefit. (If a beneficiary or a successor has nominated any successors, a successor chosen by us cannot ask for a pension instead of a lump sum death benefit.)

9.25 **We**'ll provide a pension for a **successor** if that **successor** has asked **us** to do so instead of receiving a lump sum death benefit under section 9.23. However, **we** won't provide a pension for a **successor** chosen by **us** if a **beneficiary** or a **successor** has nominated other **successors**.

9.26 A **successor** can ask **us** for:

a) a **beneficiary's drawdown plan** to take **flexible drawdown** under sections 9.14 – 9.19 (with **flexible drawdown** it can still be fully encashed and paid out as a one-off income payment); or

b) an **annuity** payable to them under sections 9.20 – 9.21.

They can transfer their **beneficiary's drawdown plan** in accordance with section 10.5 – 10.8.

Taxation of death benefits from the beneficiary's drawdown plan

9.27 If a **beneficiary** or a **successor** dies under age 75, and their **beneficiary**'s **drawdown plan** is settled within two years of notification of their death, any lump sum death benefit or **flexible drawdown** or **annuity** payments are tax-free.

If a **beneficiary** or a **successor** dies under age 75, and their **beneficiary**'s **drawdown plan** is not settled within two years of notification of their death, any lump sum death benefit paid from that **beneficiary**'s **drawdown plan** is subject to income tax at the **successor**'s **marginal rate**. If the recipient is not an individual, it is subject to a 45% tax charge. **We**'ll deduct the tax before paying it out. Any **flexible drawdown** or **annuity** payments are tax-free.

If a **beneficiary** or a **successor** dies aged 75 or older, any lump sum death benefit paid from their **beneficiary's drawdown plan** is subject to income tax at the **successor**'s **marginal rate**. If the recipient is not an individual, it is subject to a 45% tax charge. **We**'ll deduct the tax before paying it out. Any **flexible drawdown** or annuity payments are subject to income tax at the **successor**'s **marginal rate**.

10. Transfers to another scheme

10.1 **You** can ask **us** to transfer all or part of your **plan** to:

a) another **registered pension scheme**; or

b) a **qualifying recognised overseas pension scheme**.

If **you** ask **us** to transfer only part of your **plan**, **we** may not agree to the transfer if, in our reasonable opinion, it wouldn't be cost-effective for **us** to process the transfer or to administer the part of your **plan** that's left behind. **We** won't agree to transfer only part of an **account**.

We'll deduct any **transfer charges** that apply (see Sections 7.8, 7.9 and 7.16) and, if the transfer is to a **qualifying recognised overseas pension scheme**, any **lifetime allowance charge** that might apply (see Sections 4.21 and 4.22).

All **post pension date accounts** within the same **arrangement** must be transferred together.

10.2 If **you** ask **us** to transfer only part of your **plan**, **we**'ll cancel units proportionately from the **funds** in which **you** are invested and take money from your holding in the **trustee cash account** to the value of the **account(s)** being transferred. **We** may however agree, at your request, to target specific funds to provide the transfer value. If **you** ask **us** to transfer all of your **plan**, **we**'ll cancel units from all the **funds** in which **you** are invested and close your holding in the **trustee cash account**.

10.3 **We**'ll inform the administrator of the receiving scheme if **you** have **flexibly accessed** your pension rights.

Transfer date

10.4 If **you** ask for a transfer under section 10.1, **you** may suggest the transfer date. **We**'ll meet that date where it is reasonably practicable for **us** to do so. **We** do however need time to make sure that **we** comply with the requirements on transfers in the **rules** and **we** can't provide a transfer value until **we**'ve cancelled the units from the **funds** in which **you** are invested.

Beneficiary's drawdown plans

10.5 A **beneficiary** can ask **us** to transfer any of their **beneficiary's drawdown plan**s.

10.6 A **beneficiary** must transfer the whole of a **beneficiary's drawdown plan** less any charges that apply. They may suggest the transfer date. **We**'ll aim to meet that date where it is reasonably practicable for **us** to do so. **We** do however need time to make sure that **we** comply with the requirements on transfers in the **rules**.

10.7 If **we** transfer **a beneficiary's drawdown plan**, **we**'ll give the administrator of the receiving scheme the details of the **beneficiary** and the **beneficiary's drawdown plan** which **we** are required to give.

10.8 A **beneficiary** may have multiple **beneficiary's drawdown plan**s within the scheme. They can transfer some or all of them.

Pension sharing order

10.9 If **we** receive a **pension sharing order** in respect of your rights under the **scheme**, **we** must comply with it. **We**'ll do so by cancelling sufficient units to discharge the order (which could include our charge for implementing the order). **We**'ll cancel units proportionately from the **funds** in which **you** are invested and take money from your holding in the **trustee cash account**, unless **we** agree to target specific funds. **We**'ll also deduct any **transfer charges** that apply (see Sections 7.8, 7.9 and 7.16). **We**'ll pay the transfer value as a pension credit in your ex-spouse/ex- civil partner's name to another **registered pension scheme** or **qualifying recognised overseas pension scheme**.

Restoration order

10.10 If **we** receive a **restoration order** in respect of your rights under the **scheme**, **we** must comply with it. **We**'ll cancel units proportionately from the **funds** in which **you** are invested and take money from your holding in the **trustee cash account** to pay the proceeds that **we**'re directed to pay under the order.

Other court orders

10.11 If **we** receive any other court orders which **we** are compelled by law to comply with **we** will do so. If **we** are directed under the order to pay out all or part of your **plan**, **we**'ll cancel units proportionately from the **funds** in which **you** are invested and take money from your holding in the **trustee cash account** to comply with the order.

11. Data Protection Notice

Data Protection Notice - Using your Personal Information

We will collect and use personal information about **you** and any other named individual on your application such as your name, date of birth and national insurance number in order to provide this product or service and manage our relationship with **you**. It may be necessary as part of this product or service to collect and use personal information which is defined as 'special category data' by **data protection law** e.g. Health related. Any such special category data will only be collected and used where it's needed to provide the product or service **you** have requested or to comply with our legal and regulatory obligations and where **we** have obtained your explicit consent to process such information.

To provide this product or service and meet our legal and regulatory obligations, **we** will keep your personal information and copies of records **we** create (e.g. calls with **us**) while **you** are a customer of ours. If this application does not proceed or when **you** no longer have a relationship with **us**, **we** are required to keep information for different legal and regulatory reasons. The length of time will vary and **we** regularly review our retention periods to make sure they comply with all laws and regulations.

The information collected may be shared with other parts of Phoenix Group, abrdn plc and other companies **we** work with to support **us** in the provision of the product or service **you** have with **us**. **We** may also share your information with our regulators, HM Revenue & Customs and your adviser / employer (for applicable products and services) where necessary and lawful to do so. Whenever **we** share your personal information, **we** will do so in line with our obligations to keep your information safe and secure.

The majority of your information is processed in the UK. However, some of your information may be processed by **us** or the third parties **we** work with in the European Economic Area (EEA) and countries such as the United States and India. Where your information is being processed outside of the UK **we** take additional steps to ensure that your information is protected to at least an equivalent level as would be applied by UK data privacy laws e.g. **we** will put in place legal agreements with our third party suppliers and do regular checks to ensure they meet these obligations..

For more information on how Standard Life processes your personal information and what your rights are, please read our Privacy Policy at **https://www.standardlife.co.uk/privacy** or write to the Data Protection Officer, The Phoenix Group, 1 Wythall Green Way, Wythall, Birmingham, B47 6WG.

12. Complaints

12.1 **We** have an established complaints procedure in relation to the **scheme** which conforms to the **FCA**'s complaints procedure requirements. **You** can ask **us** for a copy of our complaints procedure.

12.2 If **you** have a concern or complaint, please call **us** or write to **us** (see the contact details in Section 1) with full details. Please quote any relevant dates and correspondence. **We** will discuss your issue with **you** or reply to **you** in writing and attempt to resolve it.

12.3 **We** will record details of your complaint centrally and make sure your complaint is thoroughly investigated by someone who has been trained in complaint handling.

12.4 If **we** are unable to deal with a complaint within 5 **business days we** will issue **you** with an acknowledgement letter together with a copy of our Internal Complaint Handling Procedures and provide **you** with regular updates.

12.5 Within eight weeks of receiving your complaint **we** will send one of the following two responses:

a) a final written response in which either: **we** offer **you** a remedy, whether or not **we** accept your complaint; or **we** reject your complaint and give **you** our reasons for doing so. This letter will include a copy of the Financial Ombudsman Service's standard explanatory leaflet and inform **you** that if **you** remain dissatisfied with our response, **you** may refer your complaint to the Financial Ombudsman Service within 6 months; or

b) an interim written response which will explain why **we** are not in a position to make a final written response, and indicate when **we** expect to be able to provide **you** with one. This letter will also inform **you** that **you** can refer your complaint to the Financial Ombudsman Service and will include a copy of the Financial Ombudsman Service's standard explanatory leaflet.

12.6 The Financial Ombudsman Service is an independent service set up by the **UK** parliament to resolve disputes between consumers and businesses providing financial services. This service is free to consumers.

12.7 Complaining to the Financial Ombudsman Service will not affect your rights. In general, **you** have six months from the date of our final response to refer your complaint to the Financial Ombudsman Service. The fact that **we** have categorised **you** as a retail client does not necessarily mean that **you** will be eligible to refer any complaints **you** might have about **us** to the Financial Ombudsman Service. Further information about the Financial Ombudsman Service may be found at **www.financial-ombudsman.org.uk**

13. General

13.1 These **terms** are governed by the law of Scotland and are subject to the **rules** of the **scheme**. **You** and **we** will submit to the exclusive jurisdiction of the Scottish courts in relation to any claim or dispute arising under these **terms**.

13.2 Any payments made by **you**, your employer or a **third party** to your **plan** under section 4 must be paid in sterling. Any payments **we** make to **you**, to your **beneficiaries** or to another scheme under Sections 8 to 10 must also be in sterling.

13.3 Before making any payments to **you** or your **beneficiaries** under Sections 8 to 10, **we**'ll deduct any tax that the **trustee** or **scheme administrator** may be required to pay to HMRC.

13.4 If **we** find out that the date of birth **you** (or your **beneficiary**) gave **us** is incorrect, **we**'ll adjust the **benefits** appropriately.

Your right to cancel

13.5 If **you** have an option under the **FCA rules** to change your mind about setting up your **plan** or exercising an option, for example, to take flexible drawdown under your **plan**, **we**'ll inform you about the option and how long it lasts. Our **key features document** sets out when **we** can deduct investment losses from a refund payment.

Yearly statements and other documentation

13.6 **You** will receive yearly statements from **us** showing payments into and out of the **plan** and the value of your **plan**.

13.7 **We** may provide yearly statements and other documents using our secure online Document Centre. When **we** do so **we** will inform **you** that the document is available to view and will not send **you** the document by post.
If **you** would prefer to receive a paper version by post please contact **us**. Our contact details are in Section 1.

Where you can get help

13.8 Our contact details are in Section 1 and our complaints procedure is described in section 12.

13.9 The Money and Pensions Service (MaPS) is available to help **you** (and any of your **beneficiaries**) with pension questions and any issues **you**'ve been unable to resolve with the **scheme administrator**. **You** can contact MaPS at Holborn Centre, 120 Holborn, London EC1N 2TD or at contact@maps.org.uk

13.10 The Pensions Ombudsman can investigate and rule on any complaint of maladministration or dispute of fact or law in relation to this **plan**. **You** can contact the Ombudsman at the Office of the Pensions Ombudsman, 10 South Colonnade, Canary Wharf, London, E14 4PU or you can find out more information at **www.pensions-ombudsman.org.uk**.

Financial Services Compensation Scheme

13.11 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 on the compensation available under the FSCS, please ask your **financial adviser**, refer to the key features document, check our website at www.standardlife.co.uk/investor-protection or contact the FSCS:

a) call them on **0800 678 1100**; or

b) visit **www.fscs.org.uk**

Please note call charges may vary.

The amount of compensation available from FSCS depends on the type of business and the circumstances of the claim. Please note that the fact that **we** have categorised **you** as a retail client does not necessarily mean that the **trustee** will be eligible to claim compensation from the FSCS on your behalf.

Changing or replacing these terms

13.12 **We** can make reasonable and appropriate changes to these **terms** (or issue a replacement set of **terms** and conditions in their place) at any time while these terms are in force:

a) if the conditions for tax exemption of the **scheme** change; or

b) if the legal or regulatory requirements applying to the **scheme**, the **trustee** or the **scheme administrator** change; or

c) if decisions of the Financial Ombudsman Service or Pensions Ombudsman need to be reflected in these **terms**; or

d) if new industry guidance and codes of practice which are there to raise standards of consumer protection need to be reflected in these **terms**; or

e) if it becomes impossible or impracticable, in our reasonable opinion, to carry out any of the **terms** as a result of a change in the law or regulation or other circumstances beyond our control; or

f) if the tax treatment applicable to any personal pension product or of Self Invested Personal Pension Schemes or of Standard Life changes or is due to change in a manner which has or would affect the **plan** in any way; or

g) if **we** have to pay a government levy; or

h) to allow **us** to respond proportionately to changes in the Bank of England base rate of interest, or to changes in other specified market rates or indices or tax rates; or

i) to reflect the increase of our reasonably incurred costs associated with providing **you** with the Active Money Personal Pension; or

j) to better protect the common interests of customers with an Active Money Personal Pension; or

k) where such a change is not to your detriment, including to correct errors or inaccuracies.

13.13 Subject to Section 13.13, **we**'ll give **you** 3 months' notice before the change becomes effective and provide **you** with a revised version of this document or just the amended **terms**, by post or by directing **you** to our website, unless the amendments made to these **terms** are immaterial or not to your detriment, in which case **we** will notify your **financial adviser**.

13.14 Changes to these **terms** that are outside of our control (e.g. a change in legislation) can take effect immediately. All other changes will take effect no earlier than 3 months from the date of our notification to **you** of the change. When **we** notify **you** of a change, **we** will state the reasons for the change and the date on which the change will become effective.

13.15 Please see Sections 5.28 and 5.32 for details of the circumstances where the **insurer** may amend its charges and the procedures the **insurer** will follow.

13.16 The performance of our obligations under these **terms** may be interrupted and will be excused by the occurrence of a **force majeure event** affecting **us** or any of our key sub-contractors.

13.17 These **terms** reflect our understanding of the law at 27 October 2023.

Annex 1 Glossary

abrdn group means abrdn plc and each of its subsidiaries, subsidiary undertakings and associated companies (whether direct or indirect) from time to time.

account is explained in Section 2.2.

additional charge is explained in Sections 7.6 and 7.13. It's the sum of money **we** collect over the **charging period** from:

- your **plan** if **we** agreed to pay **initial commission** (or the equivalent adviser remuneration) to your **financial adviser** for payments to your **flexible account**. **We** express the charge as a monetary amount; or
- an **account** set up to receive a single payment or a **transfer payment** if **we** agreed to pay **funded initial commission** (or the equivalent adviser remuneration) to your **financial adviser** for that **account**. **We** express the charge as a percentage of the value of the **account** to which it applies.

adviser charge means a charge that **you**'ve asked **us** to pay to your **financial adviser** from your **plan** for providing **you** with one-off or ongoing advice or services in relation to your **plan**. For full details please see our 'Terms and condition for paying your adviser' booklet that's coded PENAC62.

annual allowance is explained in Section 4.20.

annual allowance charge is explained in Section 4.20.

annuity is a contract bought from an insurance company that provides a series of guaranteed payments to an individual for a set period that is normally for the lifetime of the individual.

arrangement means a sub-division of your **plan. It** will normally consist of all your **pre** and **post pension date accounts**. However, for some members, some of their **post pension date accounts** must be held in separate **arrangements** (see section 2.10)

basic amount is defined in the **rules**. It's £3,600 (including basic-rate tax relief) for the 2023/2024 **tax year. HMRC** may change this basic amount. To find out if they have done so, please check with your **financial adviser** or see our leaflet 'Information about tax relief, limits and your pension' (GEN658).

beneficiary means a **dependant**, a **nominee** or a **successor**, or any other person chosen by **us** from the list of beneficiaries described in the rules to receive death benefits from your **plan**.

beneficiary's drawdown plan means a **drawdown pension fund** that **we** use to provide benefits to a **beneficiary**. **We** need to keep separate records of a **beneficiary's drawdown plan** and no further payments can be paid in.

benefit means any **tax-free lump sum**, **flexible drawdown** or **annuity** taken from a registered pension scheme.

blended fund means an **internal fund** where the **insurer** uses a number of the underlying funds that could be the **insurer**'s own funds or funds of an **external fund manager** with the aim of achieving the **internal fund**'s investment objective.

business day means any day except for Saturdays, Sundays, public holidays in the UK and Christmas Eve. It would also not be a **business day** where the London Stock Exchange or the major clearing banks in the City of London and Edinburgh are closed for an unexpected reason.

charging period means the period notified to **you** during which **we**'ll collect an **additional charge:**

- from your **plan** because of the **initial commission** (or equivalent adviser remuneration) **we**'ve paid on payments to your **flexible account**; or
- from an **account** because of the **funded initial commission** (or equivalent adviser remuneration) **we**'ve paid on a single or **transfer payment** to the **plan** as explained in sections 7.13 to 7.15.

data protection law means any law that applies from time to time to the processing of personal information by either **us** or your **financial adviser** under these **terms**.

dependant is used in these **terms** in accordance with its definition in the **rules**. The definition includes your husband, wife or civil partner, a **dependent child** and anyone who is financially dependent on **you**. Please check the **rules** and/or consult your **financial adviser** if **you**'re uncertain if anyone **you** wish to be considered as a **dependant** falls within the categories above.

dependent child means any natural or adopted child of yours who, when **you** die, is under 23 or dependent on **you** because of disability.

drawdown pot is explained in section 2.5

drawdown pension fund means a sum of money within a **registered pension scheme** that has been designated for **flexible income**.

drawdown investment mix is explained in section 2.8

earmarking order is an order by which, in case of a divorce, a member's **benefits** can be used to pay either maintenance or a capital sum to the member's ex-spouse. The sum earmarked for the ex-spouse only becomes payable when entitlement arises under the member's pension scheme.

external fund means a **fund** managed by an **external fund manager**.

external fund manager means:

- the manager (including managers in the **abrdn group**) of a **mutual fund** in which a **fund** that's available to **you** invests; or
- an insurance company (other than Phoenix Life Limited) that manages an insured **fund** which is used by a fund that's available to **you**.

FCA means the Financial Conduct Authority or any successor regulator which regulates our investment business. The **FCA** can be contacted at 12 Endeavour Square, London, E20 1JN.

FCA rules means the Handbook of Rules and Guidance of the **FCA** or any successor regulator to the **FCA**, as amended from time to time.

financial adviser means any financial intermediary who:

- is authorised under **FSMA**; and
- provides **you** from time to time with financial and investment advice.

flexible account is explained in Section 2.2.

flexible drawdown is explained in Section 8.

flexibly accessing is when **you** take **benefits** from your **plan** on or after 6 April 2015, but it doesn't include taking a **tax-free lump sum**, 'small pot' lump sum, capped drawdown or buying an **annuity**. (A 'small pot' lump sum is a certain type of lump sum payment not greater than £10,000. **We**'ll tell you if a payment constitutes a 'small pot' lump sum.) Whenever **you** first flexibly access benefits from a registered pension scheme, **you** will receive a notification from the pension provider that **you** have done so. It is your responsibility to inform all pension providers of whom **you** are a customer that **you** have received such a notification or **you** may be fined by HMRC.

force majeure event literally means 'superior event'. It is an event that couldn't be predicted or, if predicted, its consequences are too drastic to plan for in a contract. In these **terms** it means any of the following:

- act of God, fire, earthquake, storm or flood;
- explosion, nuclear accident or collision;
- sabotage, riot, civil disturbance, insurrection, epidemic, national emergency (whether in fact or law) or act of war (whether declared or not) or terrorism;
- requirement or restriction of or failure to act by any government, semi-governmental or judicial entity (other than a regulatory change);
- unavoidable accident;
- loss of supply of essential services including but not limited to electrical power, telecommunications, air conditioning and essential third party services;
- any 'denial of service' or other targeted network attack; and
- any other cause beyond our reasonable control,
- as a consequence of which **we** can no longer administer your **plan** for a given period.

FSMA means the Financial Services and Markets Act 2000 as amended from time to time and all regulations and orders under it.

fund means a pension fund available for **you** to invest in via the Standard Life Investment Policy. **You** can ask **us** for a list of these funds. Our contact details are in Section 1.

fund based renewal commission is a payment that **you** could have asked **us** to make to your **financial adviser** monthly or yearly for advice received before 31 December 2012 and for which **we** deduct a **regular charge** (as explained in Section 7.18) from an **account**. (It also includes remuneration, benefits or services to your **financial adviser** that correspond to **fund based renewal commission**.) The payment is a percentage based on the total value of the investments held in your **account** at the time **we** make the payment on your behalf.

funded initial commission is a one-off payment which was paid by **us** to your **financial adviser** if **you** instructed **us** to do so for advice received before 31 December 2012. (It also includes remuneration, benefits or services to your **financial adviser** that correspond to **funded initial commission**.) It was usually paid on the day **we** created an **account** for **you**. **We** recover the cost of it (or the equivalent adviser remuneration) from your **account** by levying the **additional charge** over the **charging period**.

HMRC means HM Revenue and Customs.

illustration means an illustration which reflects the terms of the **plan** and the possible return that could be expected.

index of average weekly earnings means the whole economy index of average weekly earnings for all employees in Great Britain that is published by the Office for National Statistics under the reference KA5Q. The earnings include bonuses but are not seasonally adjusted.

initial charge is:

- the sum of money **we** deduct from each payment to your **flexible account** if **we** agreed to pay **level commission** (or the equivalent adviser remuneration) to your **financial adviser** (as described in section 7.5); or
- the sum of money **we** deducted from an **account** set up for a single or **transfer payment** if **we** had agreed to pay **initial commission** (or the equivalent adviser remuneration) to your **financial adviser** for that **account** (as described in Section 7.11).

initial commission is a way **you** had of paying your **financial adviser** for their initial services if they were provided before 31 December 2012. (It also includes remuneration, benefits or services to your **financial adviser** that correspond to **initial commission**.) It was a one off payment paid by **us** directly to your **financial adviser** if **you** instructed **us** to do so.

- For the **initial commission** (or equivalent adviser remuneration) paid on payments to a **flexible account we** deduct an **additional charge** (as explained in Section 7.6).
- For the **initial commission** (or equivalent adviser remuneration) paid on a single or transfer payment **we** deducted an **initial charge** (as explained in Section 7.11).

insurance company means an insurance company as described in Section 275 of the Finance Act 2004.

insurer means Phoenix Life Limited. It is the insurer of the Standard Life Investment Policy, which is a master policy issued to the **trustee**. For more information please refer to section 5.

internal fund means a **fund** that's managed by Phoenix Life Limited on the basis described in Section 5.3.

Investment Pathway fund means a fund that is one of our ready-made investment solutions for drawdown customers.

key features document is a document that sets out the main aims and features of each product. This document will be given to **you** by your **financial adviser** when an **illustration** for any product is requested.

level commission is a payment that **you** could have asked **us** to make to your **financial adviser** each time a payment is made to your **flexible account** for advice received before 31 December 2012. (It also includes remuneration, benefits or services to your **financial adviser** that correspond to **level commission**.) **We** make an **initial charge** from each payment which matches the **level commission** (or equivalent adviser remuneration) that **we** pay out.

lifestyle profile means an investment strategy that changes the **funds** in which a member is invested based on how far away they are from the date they've told **us** that they expect to take their **benefits**. As they get closer to retirement, the investment aims of the profile move away from growth and towards preparing the member's **plan** for the date that they expect to take their **benefits**.

lifetime allowance is explained in section 4.21.

lifetime allowance charge is explained in section 4.21.

marginal rate means the highest band of income tax applied to an individual's annual income in the UK expressed as a percentage.

money purchase annual allowance is explained in Section 4.20.

monthly charge date means the day in each month on which **we** deduct any monthly charges. It is the same day as **we** created your first **account** under the **plan**. But if the first **account** was a **flexible account**, it is the same day as **we** expected to receive the first payment. If **we** created your first **account** on the 31st day of a month, the **monthly charge date** is the last day of each month. If **we** created it on the 29th or 30th day of a month, the **monthly charge date** in February is the last day of February. In the case of a **beneficiary's** drawdown plan it would be the day of the month on which **you** or the relevant **beneficiary** or **successor** died.

mutual fund means a fund operated by a manager which raises money from investors and invests in a group of assets, in accordance with a stated set of objectives. Unit trusts and OEICs are examples of **mutual funds**.

nominee means an individual or charity or any other person nominated by **you** to receive death benefits from your **plan**.

pension date is the date on which **we** start, at your request, paying **you** a **benefit** from a part of your **plan**. It is explained in Section 2.3.

pension sharing order is defined in the **rules** and can apply if **you're** getting divorced.

Phoenix Group means Phoenix Group Holdings plc and its subsidiaries and subsidiary undertakings from time to time.

plan means the total of all of the **accounts we've** created for **you** under the same **plan** number.

post pension date account is explained in section 2.3.

pre pension date account is explained in section 2.3.

prospectus means the current prospectus or scheme particulars issued by the manager of a **mutual fund** and which contains details about that **mutual fund**.

qualifying recognised overseas pension scheme means, as explained in the **rules**, a pension scheme based outside of the **UK** to which a **UK registered pension scheme** is allowed to transfer money or assets without a tax penalty.

refund of excess contributions lump sum means a refund of payments that have exceeded **HMRC's** limits for tax relief as described in section 4.3.

registered pension scheme is a pension scheme registered by **HMRC**. Examples of the types of schemes that are **registered pension schemes** are personal pension schemes, stakeholder pension schemes, occupational pension schemes, retirement annuity contracts and buy-out policies.

regular charge is the charge that **we** will take if **we** are paying **fund based renewal commission** (or the equivalent adviser remuneration) to your **financial adviser**. The **regular charge** that **we** take from an **account** matches the **fund based renewal commission** (or equivalent adviser remuneration) that **we** pay in relation to that **account**.

relevant UK earnings are defined in section 189(2) of the Finance Act 2004 and include the following:

- if **you're** employed, the income that **you** receive from your employer in a tax year. (This is usually your pay or salary from your job but could also include the value of other benefits from your job that are taxable); and
- if **you're** self-employed, the income that **you** receive in a tax year from carrying on your trade, profession or vocation (this could include patent income from an invention of yours); and
- the income from any **UK** furnished holiday letting business;

to the extent that this income is taxable in the **UK**.

relevant UK individual means that:

- **you** have **relevant UK earnings** for the **tax year** chargeable to income tax; or
- **you're** resident in the **UK** at some time during the **tax year**; or
- **you** have (or your husband, wife or civil partner has) general earnings for the **tax year** from overseas Crown employment subject to **UK** tax; or
- **you** were resident in the **UK** both at some time during the five previous **tax years** and when **you** became a member of the **scheme**.

restoration order means an order under the Bankruptcy (Scotland) Act 1985 or the Insolvency Act 1986 to restore excessive pension contributions to a bankrupt's estate.

rules means the rules of the Standard Life Self Invested Personal Pension Scheme. To get a copy of the trust deed and rules, please contact **us**. Our details are in Section 1.

savings investment mix is explained in Section 2.4.

savings pot is explained in section 2.7.

scheme means the Standard Life Self Invested Personal Pension Scheme. It's registered with HMRC under Chapter 2 of Part 4 of the Finance Act 2004. This means that contributions to the scheme qualify for income tax relief and your investments will be free from **UK** capital gains tax.

scheme administrator means Phoenix Life Limited, or any other company or person or group of individuals that replaces Phoenix Life Limited as **scheme administrator**.

successor means an individual or charity or any other person nominated by a **beneficiary** or another **successor** to receive death benefits from your **plan**.

tailored drawdown is a type of **flexible drawdown** offered by us which is explained in sections 8.18 to 8.22.

tax-free lump sum means the amount of your benefits that can be taken tax-free at a **pension date** and is explained in sections 8.8 – 8.9.

tax year means the period from 6th April in one year to 5th April of the next year.

third party means anyone, apart from your employer, who makes a payment to your **plan** on your behalf. It includes, for example, your husband, wife, civil partner and parents.

transfer charge is the charge that we will take in the circumstances described in Section 7.8.

transfer payment means:

- a payment made into your **plan(s)** from another pension scheme; or
- a transfer from a **plan** of yours into another pension scheme.

trustee means the trustee of the Standard Life Self Invested Personal Pension Scheme. The current **trustee** is Standard Life Trustee Company Limited whose address is Standard Life House, 30 Lothian Road, Edinburgh EH1 2DH. If Standard Life Trustee Company Limited ceases to be the **trustee** of the **scheme**, '**trustee**' will mean the other company or person or group of individuals that replaces Standard Life Trustee Company Limited as **trustee** of the **scheme**.

trustee cash account means the bank or building society deposit account held by the **trustee** in which **you** can choose to invest some or all of the money that's in your **plan**. The account is currently with HSBC plc. There are more details in Section 6.

UK means the United Kingdom of Great Britain and Northern Ireland (excluding the Isle of Man and the Channel Islands).

we and **us** means the **scheme administrator**.

yearly charge date is the anniversary of the day **we** created your first **account** under the **plan**. If the first account is the **flexible account**, it's the anniversary of the date on which **we** expected to receive the first payment to the **flexible account**. In the case of a **beneficiary's drawdown plan**, it's the anniversary of your death or the death of the relevant **beneficiary** or **successor**.

you means the person who is applying for or has successfully applied for an Active Money Personal Pension with **us**.

Annex 2 Examples

Please note that the examples contained in this Annex 2 are only included to help **you** understand a complex calculation or process that has been referred to in these **terms**.

Section 2.4: Example of how the savings investment mix is calculated.

When **we** create a new **pre pension date account** for **you**, **you** can tell **us** how **you**'d like the payment(s) to that account to be invested.

For instance, assuming that **you** have just started the plan and want to invest £10,000 **you** can tell **us** to invest £4,000 in fund A and £6,000 in fund B. At this stage your investment mix in your **pre pension date account** is 40% in fund A and 60% in fund B.

Your **savings investment mix** is calculated by dividing the amount **you** hold in a particular fund by the total value of your **pre pension date account** and expressing this ratio as a percentage.

So continuing the previous example and assuming that one year after **you** joined the **scheme** the following has happened:

- your initial investment has increased from £10,000 to £11,000 and the value of your investment in fund A is £4,600 (41.8%) and the value of your investment in fund B is £6,400 (58.2%); and
- **you** want to transfer £15,000 to the **plan** and invest that sum in fund C, **we** will create a second **pre pension date account** for **you**, as explained in Section 2.2, and **you** will have a total of £(11,000 + 15,000 = 26,000) invested via your two **pre pension date accounts**.

Following the creation of your second **pre pension date account**, your **savings investment mix** on that day will be as follows:

- £4,600 out of £26,000 is invested in fund A so fund A represents 17.7% of your **savings investment mix**;
- £6,400 out of £26,000 is invested in fund B so fund B represents 24.6% of your **savings investment mix**; and
- £15,000 out of £26,000 is invested in fund C so fund C represents 57.7% of your **savings investment mix**.

The percentage of the **savings investment mix** that your investment in a fund represents will change as the value of your investment in that fund changes.

When **you** have more than one **pre pension date account we**'ll treat all your **pre pension date accounts** as being invested according to the **savings investment mix**.

Section 5.27: Example of how the management charge is calculated

To calculate the management charge that will be deducted on a particular day from a **fund**, the annual rate of the management charge is divided by 365 (or 366 in a leap year) to obtain the daily rate and this rate is multiplied by the value of the fund on that day.

So, assuming that the annual rate of the management charge is 1.0%, a single day's charge is being taken and that the value of the **fund** on a particular day is £100,000, the management charge that will be deducted from the **fund** on that day is £2.74 (i.e. 1% / 365 x 100,000).

As the value of the fund fluctuates every day the value of the amount charged to the fund will also fluctuate.

Annex 3 Protection from the lifetime allowance

This table summarises the higher levels of lifetime allowance which could apply to you if you've previously applied to HMRC for protection.

Type of protection	Were you eligible?	What is your lifetime allowance?	What would your lifetime tax-free cash allowance be?	Can you continue saving into a pension?
Fixed protection 2016	Yes, if you stopped saving into any pension plans before 6 April 2016.	£1.25 million	£312,500	Yes, from 6 April 2023 (See Note 1)
Individual protection 2016	Yes, if the total value of all your pension rights on 5 April 2016 was more than £1 million.	The actual value of your pension rights on 5 April 2016, capped at £1.25 million	25% of your actual pension rights on 5 April 2016, capped at £312,500	Yes
Fixed protection 2014	Yes, if you stopped saving into any pension plans before 6 April 2014.	£1.5 million	£375,000	Yes, from 6 April 2023 (See Note 1)
Individual protection 2014	Yes, if the total value of all your pension rights on 5 April 2014 was more than £1.25 million.	The actual value of your pension rights on 5 April 2014, capped at £1.5 million	25% of your actual pension rights on 5 April 2014, capped at £375,000	Yes
Fixed protection 2012	Yes, if you stopped saving into any pension plans before 6 April 2012.	£1.8 million	£450,000	Yes, from 6 April 2023 (See Note 1)
Primary protection	Yes, if the total value of all your pension rights on 5 April 2006 was more than £1.5 million	120% of the value of your pension rights on 5 April 2006	£375,000 (or 120% of the protected lump sum shown on your primary protection certificate)	Yes
Enhanced protection	Yes, if you stopped saving into any pension plans before 6 April 2006	Unlimited	£375,000 (but see Note 2 if your total lump sum rights on 5 April 2006 exceeded £375,000)	Yes, from 6 April 2023 (See Note 1)

Note 1 – Previously, if you had Enhanced Protection or any version of Fixed Protection, you would have lost that protection if contributions had continued after the date on which they should have stopped. If you received your protection before 15 March 2023, you can now resume contributions from 6 April 2023 – but not if you received your protection on or after 15 March 2023.

Note 2 – If your total lump sum rights on 5 April 2006 exceeded £375,000, your enhanced protection certificate will show the percentage of tax-free cash you can take each time you use your savings pot to provide pension benefits. However, your tax-free cash entitlement from 6 April 2023 is now capped at the amount produced by multiplying the percentage on your certificate by the value of your savings pot on 5 April 2023.

Find out more

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.

0345 278 5626

(Mon-Fri, 9am to 5pm). Calls may be monitored and/or recorded to protect both you and us and help with our training. Call charges will vary.

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