

# Key Features

of the Group Personal Pension Plan

Important information you need to read

The Financial Conduct Authority is a financial services regulator. It requires us, Scottish Widows, to give you this important information to help you to decide whether our Group Personal Pension Plan is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference. These Key Features should be read with the enclosed example illustrations.

### Its aims

- To build up a sum of money in a tax-efficient way, that will be used to provide you with an income when you retire.

### Your commitment

- To make the agreed payments. See “What payments can be made to my plan?”
- To tell us if you’re no longer entitled to receive tax relief on any payments you make.

### Risks

- The value of your plan can go down as well as up and could fall below the amount(s) paid in.
- What you’ll get back isn’t guaranteed. It would be lower than illustrated if, for example:
  - we don’t receive all the payments.
  - investment performance is lower.
  - the cost of buying your pension is higher.
  - the charges are higher.
  - tax rules change.
- Your plan can invest in a range of investment funds that carry different types and levels of risk. For details of the specific risks that apply to each investment fund, please see the ‘Pensions Investment Approach Guide’, ‘Pension Funds Investor’s Guide’ and ‘Your Guide to With-Profits’ booklets. You should read these guides before making any investment decisions.
- In certain circumstances, there may be a delay if you ask to transfer the value of your plan or switch between investment funds.
- If you change your mind within 30 days of receiving your cancellation rights and the value of your plan has fallen, the amount returned may be less than was invested.
- If you transfer from another pension plan, you could lose any guaranteed benefits and may not be able to return to it.

# Questions & Answers

## Is this a Stakeholder Pension?

- No. For example, our minimum payments and charges may be higher than those set by the UK Government for Stakeholder Pensions.
- Stakeholder Pension plans are widely available, and may meet your needs at least as well as this plan.

## What payments can be made to my plan?

- Monthly and single payments can be made by you and your employer, provided you're a UK resident or a UK taxpayer. Other individuals can also make payments on your behalf and we may also be able to accept transfer payments from other pension plans. Further details are included within your Member Joining Guide.
- While you are a member of your employer's scheme:
  - You may be required to pay a minimum monthly payment. This minimum may increase from time to time.
  - Your employer may also make monthly payments.
  - Monthly payments are made by payroll deduction.

Please contact your employer for further details.

- If you leave your employer's scheme:
  - Any payments from your employer will stop.
  - You can continue to make your own payments, subject to our minimum amounts in force at the time.

Please contact Scottish Widows for further details.

- Single and transfer payments are made by cheque. If you want to make additional payments other than by payroll deduction, please ask us for a Direct Debit form.
- There is no maximum limit on how much can be paid to your plan, but we can only accept payments directly from you that are eligible for tax relief. See "What about tax?" for further details.

## Where are the payments invested?

- Payments are used to buy units in the investment funds you choose. We work out the value of your plan based on the total number of units you have in each fund. The value of your plan can fall as well as rise.
- We offer three Pension Investment Approaches. These are
  - Adventurous Pension Approach
  - Balanced Pension Approach
  - Cautious Pension Approach
- Our Pension Investment Approaches use a number of different funds with varying aims and investment risks. Payments will be invested in various funds over the duration of your plan. For more details see our 'Pension Investment Approach Guide'.
- We also offer a wide range of unit-linked investment funds, and a Unitised With-Profits Fund for you to choose from. You can find details of the aims, investments and risks of each fund in the 'Pension Funds Investor's Guide' and 'Your Guide to With-Profits' booklets.
- If your employer has chosen how your plan is to be invested, you will be given details of this. After the first monthly payment has been made, you can switch in and out of the funds to change the mix of investments, though there may be a delay in certain circumstances. Your plan can be invested in up to 10 funds at any one time. Conditions and a charge for doing this may apply. Please contact us for further details.
- We may change the selection of funds that we make available in the future and restrictions may apply.

## Jargon buster

### Units

'Units' are like shares of the fund.

For unit-linked funds, the value of each unit depends on the value of the investments held by the fund, and the number of units in it.

For our Unitised With-Profits Fund, the value of units isn't directly related to the value of the fund itself, but depends instead on the bonuses and reductions that we decide. For example, the value can fall if we apply Market Value Reductions, although the fund offers guarantees at the retirement date shown in your plan documents. For more information on Market Value Reductions, please see the "Your Guide to With-Profits" booklet.

## What choices will I have when I retire?

- The value of your plan will be used to provide a taxable income, either from us or another pension provider. It can be provided by either buying an annuity, or by transferring to an 'income drawdown' plan.

## Jargon buster

### Annuity

This provides an income for life, the amount of which depends on circumstances when it's bought including:

- interest rates.
- your age.
- how long people are expected to live.

You can choose from different types of annuities.

- You can normally take up to 25% of the plan value as cash, currently tax-free, in return for a smaller income.
- You can normally start taking your income from age 55. In certain circumstances, you may be able to start earlier, for example if you're in ill health.

- You must use the value of your plan to provide an income by age 75 at the latest. You may be able to defer taking your pension by transferring to another provider before age 75.

## Jargon buster

### Income drawdown

This type of plan allows you to keep the value of your pension fund invested, but take an income from it each year within limits set by the Government.

- The example illustrations provided will give you an idea of what you might get back from your plan. Remember that the effect of inflation will reduce the future buying power of what you get back.

## Jargon buster

### Inflation

The effect of inflation reduces the value of money over time, as the following example illustrates:

	The future value of £1,000, assuming inflation is 3% each year
Today	£1,000
After 10 years	£744
After 20 years	£553

## What happens to the plan if I die before I retire?

- The value of your plan will be used to provide benefits to your dependants or beneficiaries.
- We'll normally pay the value as a lump sum.
- If you've arranged your plan under trust, we'll pay any lump sum to the trustees. If it's not arranged under trust, we'll decide who to pay the lump sum to.
- If you die as a direct result of an accident before your plan has been running for five years, we'll normally pay either the value of your plan, or 120% of the total payments into your plan, whichever is higher. Please refer to your Policy Provisions to see if your plan has this benefit, and for full details, including the exclusions that apply.

## What are the charges?

- We charge for managing and investing your plan. We take our charges regularly out of the value of your plan.
- The example illustrations provided show our standard charges, and how they could affect what you might get back. The actual charges applying to your plan may be different to those assumed in the example illustrations.
- We have the power to change, at any time, most of the charges we make. We may use this power if our costs turn out to be unexpectedly high, compared to our charges.

Charges could increase if:

- a tax rule or law change increases our costs or decreases our income from charges;
  - our staff or overhead costs are more than we anticipate; or
  - our income from charges is less than we anticipate.
- If you've invested in fund(s) managed by other fund managers, they have the power to change any charges that they make.

## What about tax?

- We'll add basic rate tax relief to the regular and single payments you make. Each year, relief is available on payments which don't exceed your relevant UK earnings, or £3,600 if higher. If you're a higher rate taxpayer, you can claim additional tax relief via your self-assessment tax return. Any payments you make which are not eligible for tax relief will be refunded.
- Your plan won't receive tax relief on any payments made by an employer, or on transfer payments.
- The income you buy from the proceeds of this plan will be taxed in payment. If you decide to take a cash sum when you retire, it's normally tax-free. See 'What choices will I have when I retire?' for further details.

- If you die before you retire, no inheritance tax will normally be payable on the value of your plan. However, any dependants' income will be liable to income tax.
- Our pension investment funds are generally free of UK income and capital gains tax. However, we can't reclaim tax deducted at source from the dividends of UK company shares.
- Tax charges will normally apply if the Government's 'Annual Allowance' or 'Lifetime Allowance' is exceeded. If you need further details, please speak to your financial adviser.
- The value of the tax benefits of your plan depend on your individual circumstances. Your circumstances and tax rules may change in the future.
- If your country of residence is not the UK, the laws and rules of the country in which you reside could affect the plan, including the benefits you can receive. You should speak with legal and/or tax professionals in your country of residence for full details.

### Jargon buster

#### Relevant UK earnings

This means employment income, income derived from carrying on a trade, profession or vocation, and patent income.

## Can I transfer my plan?

- You can transfer the value of your plan to another pension plan. You can normally do so at any time, however in certain circumstances there may be a delay. No charges apply.
- The example illustrations provided show possible transfer values.

## Can I change my mind?

- Unless you have been automatically enrolled into the plan, you can change your mind and cancel your plan within 30 days of receiving notification that your policy has commenced.

## If I do want to cancel, what should I do?

- To cancel your policy you should contact us either in writing or by telephone. See 'How to contact us' for all our contact details. We'll need your personal details together with the policy number of your plan. If you decide to cancel in writing, your letter should be clearly headed 'Cancellation Notice'.

## Will I lose anything by cancelling?

- If you tell us you want to cancel the plan within 30 days of receiving notification that your plan has commenced, we'll return any payments you've made. For single and transfer payments, we may deduct any fall in the value of these payments.
- For transfer payments, it may not be possible to return the value of the payment received to your previous pension plan and you may have to take out a new plan.
- If you cancel then any payments made on your behalf by your employer will be returned to your employer.

## What are the consequences of keeping my plan?

- If you don't cancel your plan within 30 days of receiving notification that your plan has commenced, your plan will continue and we'll collect the payments you've agreed to make.

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

- We'll send you a statement each year. You should regularly review your plan to check if it remains on track for your needs.
- You can check the unit prices of our unit-linked funds on our website as detailed on page six, or get an up-to-date valuation of the plan by contacting us.



## How to contact us

If you've any questions, or any changes you want to make to your plan, please contact us. You can phone us, send us a fax, or write to us.

☎ Call us on 0131 655 6000 during the following times:

Monday to Friday 8.00am – 6.00pm

Saturday 9.00am – 12.30pm

We may record and monitor calls to help us to improve our service.

Fax number: 0131 662 4053

Website: [www.scottishwidows.co.uk](http://www.scottishwidows.co.uk)

Office address: Scottish Widows plc  
15 Dalkeith Road  
Edinburgh  
EH16 5BU

- We'll communicate with you in English.

## Other information

### How to complain

If you ever need to complain, please contact us. If you're not satisfied with our response, you can complain to:

The Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London  
E14 9SR

Tel: 0800 023 4567

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

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

## Terms and Conditions

- These Key Features give a summary of the Scottish Widows Group Personal Pension Plan. Further details of the benefits, charges and conditions are given in product literature, Scheme Rules and Policy Provisions, which are available from us.
- We have the right to change some of the terms and conditions at any time. We'll write and explain if this affects your plan.

## Law

- For legal purposes the law of England and Wales will apply.
- This information represents Scottish Widows' interpretation of the law and HM Revenue and Customs practices as at date of publication. Changes to tax rules and other laws may affect your contract terms.

## Compensation

- We're covered by the Financial Services Compensation Scheme. You may be entitled to compensation if we become insolvent and can't meet our obligations. Most insurance business is covered for 90% of the value of the claim. More information about compensation arrangements is available from the Financial Services Compensation Scheme, who can be contacted on 0800 678 1100 or 0207 741 4100 or via their website at [www.fscs.org.uk](http://www.fscs.org.uk)

