For trustees

keyfacts®

Key features of the TargetPlan Deferred Buy Out Plan

Contents

If your personal circumstances mean you need any additional support, or if you'd like a large print, Braille or audio version of this document, please visit aegon.co.uk/additionalsupport or call 0345 601 7721 (call charges will vary).

The Financial Conduct Authority (FCA) is a financial services regulator. It requires us, Scottish Equitable plc ('Aegon') to give you this important information to help you to decide whether the TargetPlan Deferred Buy Out Plan is right for you. You should read this document carefully so that you understand what you're buying, and then keep it safe for future reference.

Scottish Equitable plc is regulated by the FCA in carrying out insurance business and is part of Aegon UK. We don't offer personal recommendations.

AEGON

Is the TargetPlan Deferred Buy Out Plan right for you?

This document is designed to help you to decide.

Important

Please read this Key Features document with:

- The fund fact sheets
- Any other documents provided to you by Aegon
- The enclosed TargetPlan Deferred Buy Out Plan documentation

If there's anything you don't understand or if you're not sure whether the TargetPlan Deferred Buy Out Plan is right for you, you should get advice from a financial adviser.

Its aims

- To enable the trustee(s) of a money purchase occupational pension scheme to transfer the value of deferred members' pension rights into individual TargetPlan Deferred Buy Out Plans.
- To help the trustee(s) discharge their liability under the scheme.
- To provide each transferred member with a TargetPlan Deferred Buy Out Plan in their own name, with future choices and control over how their fund is invested and benefit options.

Your commitment

- To give members appropriate notice of the transfer and their rights to transfer to an alternative registered pension scheme, if they so wish.
- To take all reasonable steps to provide members with appropriate information.
- To accept any costs involved in setting up the new individual TargetPlan Deferred Buy Out Plans.
- To accept that once the transfers have been completed, it won't be possible to return the transfer payments to the scheme.

Risks

- The future value of each member's TargetPlan Deferred Buy Out Plan isn't guaranteed and its value may go down as well as up.
- The terms for converting the value of each member's TargetPlan Deferred Buy Out Plan into an income are not guaranteed and can't be predicted.

Questions and answers

How does the TargetPlan Deferred Buy Out Plan work?

- The trustee(s) decides to transfer the values of all deferred members who may be transferred without their consent into individual TargetPlan Deferred Buy Out Plans.
- Once the transfer has been completed each transferred member will have a Plan in his or her own name and will no longer have any rights under the scheme.
- Each transfer payment will be invested in one or more funds selected at the outset by the trustee(s). For further information, please refer to the separate document, **Your Investment Options**.
- The benefits that members will receive will depend on the value of their TargetPlan Deferred Buy Out Plan at the time they select benefits.

How is the transfer value paid to Aegon?

- The transfer value would normally be paid into the Plan as a cash payment. In certain circumstances it may be possible to arrange a transfer of stock (an in-specie transfer) in respect of some or all of the transfer value.

Can members pay contributions into the TargetPlan Deferred Buy Out Plan?

- No, the Plan can only receive an initial transfer.

Can members transfer additional benefits into their TargetPlan Deferred Buy Out Plan?

- No, once the initial transfer to the Plan has been completed it is not possible to transfer additional benefits to the Plan.

Questions and answers

- The value of each Plan will be dependent on the size of the transfer payment, the length of the investment term and the future investment growth that is achieved.

What investment funds are available?

- Please refer to the separate document, Your Investment Options, for more information about the investment funds that are available.
- Depending on the nature of a fund, its assets may include (without limitation) company shares, government and corporate bonds, and cash and other investments in the UK and abroad.
- The future value of investments in the Plan is directly related to the value of the underlying assets.
- Each year we will send members a statement giving the current value of their Plan.
- For advice as to whether a fund is suitable for the member, they should speak to a financial adviser.

What are the charges?

- 100% of the transfer payment for each member will be allocated to units, so there is no initial charge under the TargetPlan Deferred Buy Out Plan.
- Each fund has a yearly management charge (annual management charge). These charges are expressed as an annual percentage but are calculated and deducted on a daily basis. If a fund invests in a collective investment scheme, it will also bear its share of the costs of other services, such as the fees paid to the trustee(s)/depositary, custodian, auditors and registrar. In addition, the fund may also bear the cost of any expenses associated with tax reclaims on behalf of the fund.

Questions and answers

- The annual management charge, and any additional expenses, for each fund can be found on TargetPlan (our member portal) or by calling us – see the 'Want to know more?' section on the final page.
- We may deduct administrative expenses that are incurred in the purchase or provision of an annuity.
- Should a member become party to divorce proceedings, we may make a charge to cover the administrative expenses we incur in dealing with an order or potential order.

Can a member change their funds?

- Yes, once the transfer has taken place a member may switch the investments in which their transfer value is invested.
- If a member is invested in a LifePath fund, and changes their target retirement age, there will be an automatic switch of funds to the appropriate LifePath fund that matches the new chosen year of retirement.
- If a member is invested in a Lifestyle option, and changes their target retirement age, there will be an automatic switch of funds to target their new chosen year of retirement.

What benefit options are there?

- When members want to take benefits from their Plan, they can, subject to being eligible at the time, use the value of their Plan in a number of ways:

Questions and answers

Lump sums

- A pension commencement lump sum (PCLS) of up to 25% of the value of the Plan can be paid and the amount is tax free. This proportion may be higher where members hold certain types of protection of pre 6 April 2006 lump sum rights. Where a PCLS is taken, the crystallised monies must be used to provide a pension, either drawdown or an annuity.
- Alternatively, up to 100% of the value of a member's Plan may be paid as an uncrystallised funds pension lump sum (UFPLS). 25% of the UFPLS will usually be tax free but the remainder would be added to any other taxable income in the tax year that they receive the UFPLS.
- There are two allowances which limit the total amount members can take as tax-free lump sums or the tax-free element of lump sums - the Lump Sum Allowance (LSA) and Lump Sum and Death Benefit Allowance (LSDBA). For more information, please visit gov.uk/tax-on-your-private-pension/lump-sum-allowance
  - The lump sum allowance is £268,275. This limits the amount members can take as certain tax-free lump sums, unless they have a protection or enhancement which increases their lump sum allowance and means they benefit from a higher limit.
  - The lump sum and death benefit allowance is £1,073,100. This limits the total amount that can be paid as tax-free lump sums to members during their lifetime, and to their beneficiaries following their death, unless they have a protection or enhancement which increases their lump sum and death benefit allowance and means they benefit from a higher limit.
  - Members may have higher allowances if they have a protection. For more information, please visit gov.uk/tax-on-your-private-pension/lump-sum-allowance

Questions and answers

  - Any lump sums taken once members have used up either of their LSA or LSDBA will be subject to income tax at the recipient's marginal rate. If they've used either of their lump sum allowances, they can't take any further PCLS payments and any further UFPLS payments will be subject, in full, to income tax at the recipient's marginal rate. If they've only used the LSA then any lump sum death benefits can still be paid tax-free up to the available LSDBA where certain conditions are met.
- This information is based on our understanding of current taxation law and HMRC practice, which may change.
- The value of any tax relief depends on the member's individual circumstances, which may change.

Pension benefits

- The member can choose to use the value of their Plan to purchase an annuity.
- The annuity must be bought from an annuity provider and members should shop around to find an annuity which best meets their needs. Aegon do not offer annuities.
- The annuity may be level or increase to keep up with inflation each year and can have a guaranteed payment period.
- As annuity rates can change substantially and rapidly, there's no guarantee that when the member purchases an annuity the rates will be favourable. This could mean that their pension thereafter may be less than they had hoped for.

Alternative payments

- A member can request a transfer payment if they wish to access any benefit flexibilities (such as income drawdown benefits) available under other types of pensions provided by us or other providers.

Questions and answers

What rights and options will be available to members to assign or surrender benefits under their Plan?

- Members will not be able to assign any benefit payable under their Plan to another person, or surrender their Plan, except in the specific circumstances provided under regulation 3 of the Occupational Pension Schemes (Discharge of Liability) Regulations 1997.

What happens if a member dies before taking benefits?

- If a member dies before taking benefits, we'll normally pay the value of the member's fund to beneficiaries in accordance with the member's nomination.

When can benefits be paid?

- Plans will be set up with the same normal retirement date (NRD) as the scheme but members can normally elect to receive benefits at any age between 55 and 75. The minimum age of 55 is increasing to 57 from 6 April 2028.
- It is possible for members to transfer to another registered pension scheme before NRD.
- This information is based on our understanding of current legislation, which may change.

Other important information

Aegon is a brand name of Scottish Equitable plc.

Scottish Equitable plc, registered office:

Aegon Lochside Crescent
Edinburgh Park
Edinburgh
EH12 9SE

Registered in Scotland (No. SC144517). Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Services Register number 165548.

Our service

- We can only offer pension products from Aegon.
- You'll not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of products that we'll provide details on. You will then need to make your own choice about how to proceed.

Client Categorisation

Each transferred member will be categorised as a retail client which means they receive the highest level of protection possible.

Other important information

Complaints

We want all our trustee(s) to be satisfied. However, if you have a complaint, please contact your relationship manager.

If you're not satisfied with how we've dealt with your complaint, you can raise the issue with the Financial Ombudsman Service at:

Exchange Tower
London
E14 9SR

0800 023 4567 or 0300 123 9123 (call charges will vary)

complaint.info@financial-ombudsman.org.uk

financial-ombudsman.org.uk

For pension related complaints you can also contact:

The Pensions Ombudsman
10 South Colonnade
Canary Wharf
London
EH14 4PU

0800 917 4487 (call charges will vary)

enquiries@pensions-ombudsman.org.uk

pensions-ombudsman.org.uk

Making a complaint unless made to the Pensions Ombudsman will not prejudice your right to take legal proceedings.

If your complaint relates to an investment, you should speak to your financial adviser.

Other important information

Compensation

If the fund a member is invested in is a Life Fund, they may be able to claim compensation under the Financial Services Compensation Scheme (FSCS) if we cannot meet our liabilities to our investors.

If you choose an investment fund that invests in a collective investment scheme managed by another firm, they will not be eligible for any compensation under the FSCS if that firm is unable to meet its obligations. Visit the Financial Services Compensation Scheme website here www.fscs.org.uk

We are also not eligible to make a claim on their behalf so the price of a unit in the investment fund will depend on the amount we receive from the firm.

For more in-depth information on all our funds and how we invest the money, please visit our website or phone us 0345 601 7721
(Call charges will vary).

Language and Law

All correspondence will be made in English. All communications from us will normally be by letter or telephone. The law of England and Wales will apply to any legal dispute. Full details of the legally binding contract between the member and Aegon is contained or referred to in the terms and conditions.

Tax

This document is based on our understanding of the current tax rules. However, tax rules may change in the future, which could affect the way in which a transferred member's benefits may be taken and/or the way in which they may be taxed. Tax treatment depends on the member's individual circumstances and may be subject to change in future.

Other important information

Conflicts of interest

Aegon maintains a Conflicts of interest policy in accordance with all Financial Conduct Authority (FCA) Conduct of Business rules, to ensure we manage the risk of damage to customer interests. A conflict of interest may arise where an action taken by us could be seen to compromise or conflict with the best interests of our advisers, intermediaries and customers. If we identified a conflict of interest that we could not manage appropriately then we would decline to accept this business to ensure the fair treatment of our customers. We're transparent about where conflicts of interest can arise and our policy to deal with them. Please read our conflicts of interest policy at aegon.co.uk/content/dam/auk/assets/publication/legal/conflicts-of-interest-policy.pdf

How we pay our employees

We pay our employees a base salary, and dependent on their role, a yearly bonus. The bonus paid is based on meeting a number of targets set at the beginning of the year. These include the level of profit the company makes from new and existing business. It's also dependent on non-financial targets, such as the quality of service we provide.

About us

Our story started over 190 years ago, when we were founded as Scottish Equitable in the UK. Today we are part of Aegon – an integrated, diversified, international financial services group.

Our UK team are focused in providing pension, savings and investment solutions for customers throughout their lifetime. We do that by working with financial advisers and employers.

Other important information

Solvency Financial Condition Report

The Scottish Equitable plc Solvency Financial Condition Report (SFCR) is available on our website at aegon.co.uk/content/dam/auk/assets/publication/legal/aegon-uk-solvency-financial-condition-report.pdf

Risks relating to reinsured funds

Customers bear all risks associated with investment in the insured funds. These risks include where we reinsure our obligations under the insured funds to a third party and that third party fails to meet its obligations owed to us. In such scenarios they would bear any losses arising from that third party's failure to meet its obligations. They'll bear the risk of the default or fraud of any third party insurer or manager responsible for an insured fund, or any counterparty to any transaction in respect of an insured fund.

For more information on this, please speak to a financial adviser or contact us using the details that can be found at the end of this guide.

Support we may give to third parties

To help third parties such as an adviser provide an improved service or an employer provide a better experience, we may provide them with marketing and promotional support, technical services and training. We may also provide them with hospitality. Typically the value of this support is less than £75 per year, but can be more where, for example, additional training is required.To find out more, please ask a professional adviser or other professional consultants, if applicable to provide specific details of any benefits provided.

Want to know more?

Trustee(s)

Please contact your relationship manager.

Members

0345 601 7721

my.pension@aegon.co.uk

aegon.co.uk/targetplan

@aegonuk

Aegon UK

Call charges will vary. If contacting us by email, please don't include any personal, financial, or banking information as email isn't a secure method of communication. If you decide to send information in this way, you're doing so at your own risk as there's no guarantee that any email sent by you to us will be received or remain private during transmission. Where secure online journeys are available, please login to complete these.

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