For employees

Key features of the TargetPlan Stakeholder Pension Plan

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, Aegon, to give you this important information to help you to decide whether our Stakeholder Pension 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.

Aegon does not offer personal recommendations.

Contents

Is the TargetPlan Stakeholder Pension Plan right for you?

This document is designed to help you to decide.

Important

Please read this Key Features document with the:

- The Key Features Illustration (which if not included with your welcome pack will be sent shortly).
- The Investment Options leaflet.
- The enclosed Policy document.

If there is anything that you don't understand, or if you are not sure whether a TargetPlan Stakeholder Pension Plan is suitable for you, you should get advice from a financial adviser.

Its aims

- To help you save for retirement in a tax-efficient way.
- To build up an Account (or pension pot) to provide you with retirement benefits. Those benefits could be a lump sum or an income in retirement or a combination of both.
- To provide a lump sum or an income for your husband, wife, registered civil partner or beneficiaries if you die before you take your retirement benefits.

Your commitment

- To pay any contributions you're required to make as and when they fall due, potentially until your selected retirement date. To be eligible for employer contributions, you may have to pay regular personal contributions into an Account and, to meet with legislation, these contributions may increase over time.
- To review your Account regularly to ensure your investment(s) continue to meet your needs.
- Not to take your benefits before the minimum age permitted by law. You cannot normally take your benefits before age 55 (increasing to age 57 on 6 April 2028).
- To let us know if you flexibly access your benefits under another scheme. The administrator of the other scheme will send you a flexible access statement if you do this.

Risks

- The value of your account isn't guaranteed and could be less than shown in your illustration if:

  - The growth in your investment is less than illustrated.
  - The charges are more than illustrated.
  - You stop contributions.
  - Tax rules change.

- The value of an investment can fall as well as rise and isn't guaranteed. The value of your pension pot when you come to take benefits may be less than has been paid in.

- Annuity rates used in the calculations to convert the value of your Account into an income at retirement may change, so are not guaranteed.

- The benefits resulting from a transfer value from another pension fund into a stakeholder pension may not match the benefits that you are giving up.

- If you use your right to cancel your Account within the 30-day cooling-off period, you may not get back the full value of your contribution. You will also not benefit from any rise in value.

- If you were a member of another registered pension scheme on or before 5 April 2006 your rights in that scheme may be protected from tax charges and that protection may cease if you transfer to a stakeholder pension. This information is based on our understanding of current taxation law and HMRC practice, which may change.

Questions and answers

How does the TargetPlan Stakeholder Pension Plan work?

- You (and where applicable your employer) pay contributions to us. We add basic rate tax relief to your personal contribution and invest the total on your behalf. You can read more about this in the What about tax? section.
- We send you a statement each year showing you the value of your Account and an illustration of the pension that you might expect to receive.
- Just before you reach your chosen retirement age, we'll write to you and remind you of your options.

What are the minimum contributions?

- The minimum contribution is £20 or such other amount as we're required to accept under auto enrolment legislation.
- If you're required to make contributions under auto enrolment legislation, the minimum contribution you must make under that legislation may be increased over time.

What sort of contributions can I make?

- You can pay regular contributions or make a one-off contribution.
- In addition to making contributions, you can transfer in benefits from another registered pension scheme or recognised overseas pension scheme – this may not be suitable for everyone

Questions and answers

How do I pay?

- If you're employed, contributions may (in some circumstances with your and your employer's agreement) be taken from your salary and paid to us by your employer.
- You can pay contributions to us by cheque or direct debit.

The information in the two sections below is based on our understanding of current legislation, taxation law and HMRC practice, which may change.

How much can I save and receive tax relief on?

- With a few exceptions, anyone can pay a net annual contribution of £2,880 which (when it includes tax relief) becomes a gross contribution of £3,600.
- You can pay this amount, if you are younger than 75, even if you are not paying tax.
- If your UK earnings are more than £3,600 a year, you can get tax relief on contributions of up to 100% of your relevant earnings, provided you are under age 75.
- If you're employed your relevant UK earnings will normally be your employment income (as shown in your P60) plus any taxable benefits you may receive, such as a company car (as shown in your P11D form).
- The value of any tax relief will depend on your individual circumstances, which may change.

Questions and answers

Are there any other limits on my pension savings?

- There's no limit on the amount you can save into your pensions each year but there are limits on the amount you can save each year with tax relief and in some circumstances you may be subject to a tax charge if you save more than a certain limit. You can find out more information in the What about tax? section.

What can I invest in?

- We offer a wide range of investment funds, including a default investment option (default option). Your account may automatically be in the default option where there is one for your scheme, and you can find more information about this in your welcome pack. These funds cover most investment sectors in the UK and abroad.
- Depending on the nature of a fund, its assets may include (without limitation) company shares, government and corporate bonds, and cash.
- If you're joining your employer sponsored stakeholder pension, the range of funds may be less than our full range.
- You can find details of your investment options, including the default option, in the Investment Options leaflet.
- The funds may invest in underlying Life Funds (insured) or may invest in collective investment funds, some of which may be non-Life Funds.

Questions and answers

How is the value of my Account worked out?

- Each of the investment funds is split into units of equal value.
- The price of a unit goes up and down depending on the value of the assets held in the investment fund.
- We work out the price of a unit each day and each contribution that you pay us 'buys' units at the current price.
- The value of your Account will vary. It will depend on the number of units that have been allocated to it and the price of units in the fund at the time.
- Daily unit prices are published on our website and are also available by calling us, you can find contact details in How to contact us section.

What are the charges?

- 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/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. The term 'additional expenses' is used to refer to these costs which are in addition to the annual management charge.

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, you can find contact details in How to contact us section.
- We may deduct administrative expenses that are incurred in the purchase or provision of an annuity.
- Should you 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.
- If you are in an employer sponsored scheme, your employer may have negotiated a lower annual management charge. We may vary these charges in future.

Can I change funds?

- Yes, you may switch both existing investments and the fund that your future contributions are going to be invested in. However, if you've been automatically enrolled, automatically re-enrolled, have opted in or joined under auto enrolment rules, then you'll not be able to do this until after the end of the opt-out period.
- If you've been automatically enrolled, automatically re-enrolled, or have opted in or joined under auto enrolment rules, any contributions received during the opt-out or cancellation period will be invested in the cash fund. Within two months of the end of the opt-out or cancellation period, these contributions will be automatically switched into the default option. Any contributions received after the end of the opt-out or cancellation period will be invested directly in the default option. You can find more information about the default

Questions and answers

option in the Investment Options leaflet.

- At any time (or after the end of the opt-out period if you were auto enrolled or re-enrolled or have opted in or joined under auto enrolment rules), you may choose the fund (or funds) you want to invest in. However, if you do not want to choose, we will invest your contributions in accordance with the default option.

- If you're invested in a LifePath fund, and change your target retirement age, we'll automatically switch your funds to the appropriate LifePath fund that matches your new chosen year of retirement.

- If you're invested in a Lifestyle option, and change your target retirement age, we'll automatically switch your funds to target your new chosen year of retirement.

- For advice as to whether a fund is suitable for you, please speak to a financial adviser.

What happens if I change jobs?

Your Account is not tied to your current job, so you may:

- Continue to pay personal contributions towards your TargetPlan Stakeholder Pension Plan.
- Stop contributing and leave the money in the plan.
- Transfer to a new plan.

- Your new employer may enrol you into their workplace scheme. You'll need to consider your options at the time and may want to consult a financial adviser.

- If you change your employer, your former employer will no longer contribute towards your Account. Your new employer may not want to contribute towards your Account.

- You may join your new employer's company pension scheme, in which case you may no longer be able to afford to continue making contributions at the same rate, or at all.

What happens if I stop paying contributions or change the level of my contributions?

- You can stop, restart, reduce or increase your contributions at any time. If you stop or reduce contributions, auto enrolment legislation means that you could be re-enrolled in the future and be required to pay a minimum contribution unless you opt out at that time.

- If you reduce or stop your contributions, this may affect your entitlement to employer contributions – you may need to consider what effect this may have on your future retirement benefits.

- If you stop paying contributions, the contributions that have already been made will remain invested in the fund or funds you have chosen and, if a Lifestyle option or LifePath fund applies, it'll continue to operate. The annual management charge will continue to apply.

- It's still possible for you to switch between funds if you want to do so.

Questions and answers

Can I transfer to another pension scheme?

- Yes, you can transfer to another registered pension scheme or qualifying recognised overseas pension scheme, subject to that scheme agreeing to accept the transfer.
- There are no penalties if you transfer to another registered pension scheme or qualifying recognised overseas pension scheme.
- Various legal and regulatory requirements apply to transfers and you should get advice before doing so.
- Transferring a pension may not be the best option for you. You may lose features, protections, guarantees or other benefits - so make sure you compare products before transferring. It's up to you to decide if this is the right decision for you. If you're not sure, speak to your financial adviser - there may be a charge for this.

What are my options at retirement?

- Although a stakeholder pension is designed to provide you with an income in retirement, you do not have to give up work and retire to take benefits.
- When you want to receive benefits from your Account, you can, subject to being eligible to do so at the time, use the value of your Account in a number of ways:

Lump sums

- A pension commencement lump sum (PCLS) of up to 25% of the value of your Account can be paid tax-free. This proportion may be

Questions and answers

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 your Account 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 you received the UFPLS.
- There are two allowances which limit the total amount you 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 you can take as certain tax-free lump sums, unless you have a protection or enhancement which increases your lump sum allowance and means you 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 you during your lifetime, and to your beneficiaries following your death, unless you have a protection or enhancement which increases your lump sum and death benefit allowance and means you benefit from a higher limit.
    - You may have higher allowances if you 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 you've used up either of your LSA or LSDBA will be subject to income tax at your marginal rate. If you've used either of your lump sum allowances, you can't take any further PCLS payments and any further UFPLS payments will be subject, in full, to income tax at your marginal rate. If you've only used the LSA then any lump sum death benefits can still be paid tax-free up to the available LSDBA depending on certain other factors.

Pension benefits

- You can choose to use the value of your Account to purchase an annuity.
- Your annuity must be bought from an annuity provider and you should shop around to find an annuity that best meets your needs. The annuity can be arranged to last for your lifetime only or to continue for the lifetime of you and your husband, wife, or registered civil partner, possibly with a reduction in amount when you die.
- An annuity may be level or increase to keep up with inflation each year and can have a guaranteed payment period.
- Different types of annuities have different costs. It is up to you to decide the annuity that is best for you at the time.
- If you suffer from ill health, you may be able to obtain a higher annuity from certain annuity providers.
- You don't need to decide the type of annuity until just before you want your income to start.

As annuity rates can change substantially and rapidly, there's no guarantee that when you do purchase an annuity the rates will be favourable. This could mean that your pension income thereafter may be less than you hoped for.

Alternative payments

- You may decide to request a transfer payment if you wish to access any benefit flexibilities (such as income drawdown benefits) available under other types of pension policy provided by us or other providers.

What happens if I die before I take my benefits?

If you die before taking benefits, we'll pay the value of your Account at the time, either to the person or persons (called beneficiaries) you have named where you've given us a valid written direction, or at our discretion.

What about tax?

- All personal contributions must be paid to us net of basic rate tax and we collect the tax relief from HMRC. Basic rate tax relief is currently 20%. So, if you're contributing £80 a month from your net pay, £100 will automatically be invested in your plan – that's an additional £20 at no extra cost to you.

- If you pay higher than basic rate tax, you can claim the extra relief via your yearly tax return or by asking HMRC to adjust your tax code. The value of any tax relief depends on your individual circumstances, which may change.

- At retirement, you can normally receive up to 25% of your Account as a tax-free cash lump sum.

Questions and answers

- The amount saved by and for you each tax year toward a pension is subject to an 'annual allowance'. This limits the amount that can be contributed each year before you might have to pay a tax charge. This includes any contributions that your employer may make. For details of the current annual allowance, please refer to – gov.uk/tax-on-your-private-pension/annual-allowance

- Accessing your benefits flexibly (by taking an UFPLS or entering into flexi-access drawdown) can limit your ability to make further relievable pension contributions.

  Drawing your benefits in this way will trigger a limit on pension savings known as the money purchase annual allowance (MPAA). The MPAA effectively limits the pension savings that an individual can make to money purchase schemes, or have made on their behalf to such schemes, to £10,000 per tax year. A money purchase scheme is one where the benefits provided by the scheme are dependent upon how much you and your employer contribute and the investment performance of those contributions.

  If the total contributions that you and your employer, if applicable, make across all money purchase pension schemes exceeds £10,000 the excess contributions will incur a tax charge. Unlike the normal annual allowance, it is not possible to carry forward unused money purchase annual allowances from previous tax years. For details on MPAA, please refer to: gov.uk/tax-on-your-private-pension/annual-allowance

- If you use some or all of your Account to provide an UFPLS, 25% of the lump sum will be paid tax-free with the remaining 75% taxed as earned income. However, this may be restricted if your remaining lump sum

Questions and answers

allowance or lump sum and death benefit allowance is less than 25% of the value of your plan. This restriction doesn't apply to small pots.

- Any lump sums taken once you've used up either the lump sum allowance or lump sum and death benefit allowance will be subject to income tax. You may have a higher allowance limit if you have a lifetime allowance protection. For more information please visit – gov.uk/tax-on-your-private-pension/lump-sum-allowance

- If you were a member of another registered pension scheme on or before 5 April 2006 your rights in that scheme may be protected from tax charges and that protection may cease if you transfer to a personal or stakeholder pension.

- The income you receive through an annuity will be taxed as earned income and the annuity provider will take tax from payments under Pay As You Earn (PAYE) arrangements.

- 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 your individual circumstances, which may change.

Do I need to pay for advice?

- We don't provide investment or financial advice.

- If you get your own personal investment advice from a financial adviser, you will have to pay for that advice – your adviser will tell you how much it will cost.

Can I opt out of the TargetPlan Stakeholder Pension Plan if I have been automatically enrolled or automatically re-enrolled?

Yes, you can opt-out under auto enrolment law. In both cases there will be a one month period during which you can opt-out – you'll be notified of when it starts and what you need to do to exercise your right to opt-out.

If you've been automatically enrolled and opt-out, your membership will be undone and you'll be treated as not having been enrolled into the scheme on that occasion. Any contributions deducted from your salary will be refunded to you by your employer.

If you've been automatically re-enrolled and opt-out, your latest period of active membership will be undone and you'll be treated as not having been re-enrolled into the scheme on that occasion. Any contributions deducted from your salary since you were re-enrolled will be refunded to you by your employer. Any existing benefits held in your Account will remain invested.

If you leave the pension after the one month opt-out period has ended, you'll not be able to receive a refund of your contributions. Any contributions that have been received to date will remain invested and no further contributions will be made.

Questions and answers

If I haven't been automatically enrolled, or automatically re-enrolled can I cancel my Account?

We'll notify you of your right to cancel when we accept your application. You'll then have 30 days in which you can cancel your Account. You can cancel by calling us, writing to us (using details in the How to contact us section) or by returning the cancellation notice that we'll send to you when your Account is opened.

You may not receive back the same amount that you may have paid as a result of market movement which we have reasonably incurred in cancelling your Account. This means that you may only receive a refund of the current value of your contribution rather than the amount that you originally paid to us. If you don't exercise your right to cancel your Account it will continue, as set out in the Policy document.

If you decide to cancel a transfer payment into your Account, we'll make every effort to return the money to the previous provider. However, the transferring scheme may refuse to accept the transfer or refuse to accept it on the original terms. If the transfer payment cannot be returned it'll remain invested in your Account, until you're able to find a provider who'll accept the transfer payment.

What happens if I want to stop contributions to my Account after the cancellation period has ended?

The contributions paid to date will remain invested in your Account until age 55 (rising to 57 on 6 April 2028) or you want to take your retirement benefits, or decide to transfer to another provider, but no further contributions will be paid. We'll not be able to refund the contributions that have been paid to your Account.

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 (PRA) and regulated by the FCA and the PRA. 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'll then need to make your own choice about how to proceed.

How to contact us

Although we cannot give you personal financial advice, please contact us if you want any information or have any questions about your Account.

Phone: 0345 601 7721. Call charges will vary.

Email: my.pension@aegon.co.uk

You can write to us at:
Aegon Workplace Investing
Sunderland, SR43 4DH

Other important information

Our email system and the way we deal with data internally is secure. However, we're unable to ensure the security of emails before they reach us so please consider this and do not include any personally sensitive, financial or banking information that has not been appropriately secured. If you have access to our online services, you may be able to log in and complete your action securely.

Client Categorisation

There are various categories of client set out in the Financial Conduct Authority (FCA) rules. For the purposes of this TargetPlan Stakeholder Pension Plan, we'll treat you as a retail client. Being a retail client gives you the highest available level of protection under these rules and ensures you get full information about any products you buy.

If, under the FCA rules, you categorised as a 'professional client' or an 'eligible counterparty', we will still treat you as a retail client although this would not necessarily mean that you would be eligible to refer any complaints to the Financial Ombudsman Service or to make a claim under the Financial Services Compensation Scheme. If you need further information about client categorisation, please speak to your financial adviser or contact us.

Complaints

We hope you never have cause to complain, but if you do, the first step is to contact us using the details below. We'll deal with your complaint in accordance with our complaints procedure. You can contact us for a copy or find it on our website.

Other important information

You can write to us at:

Aegon Workplace Investing

Sunderland SR43 4DH

Phone us on: 0345 601 7721 (call charges will vary)

Email us at: my.pension@aegon.co.uk

If you're not satisfied with how we've dealt with your complaint, you can then refer it to the Financial Ombudsman Service at:

Phone: 0800 023 4567 or 0300 123 9 123

Website: financial-ombudsman.org.uk

For pension related complaints you can also contact the Pension Ombudsman:

Phone: 0800 917 4487

Website: pensions-ombudsman.org.uk/

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

If your complaint relates to an investment, you should speak to your financial adviser or the investment manager in question.

Compensation

If the fund you're invested in is a Life Fund, you 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, you'll 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

Other important information

at fscs.org.uk We're also not eligible to make a claim on your behalf so the price of a unit in the investment fund will depend on the amount we receive from the firm.

For more information on all our funds and how we invest your money, you can phone us on 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. In the event of a legal dispute, the law of England and Wales will apply.

Conflicts of interest

Aegon maintains a Conflicts of interest policy in accordance with all Financial Conduct Authority (FCA) Conduct of Business rules, to make sure 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

Other important information

Support we may give to third parties

To help third parties such as an employer or adviser give you an improved service, 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. If you want to find out more you can ask your financial adviser, if you have one, or employer or other third party to provide specific details of any benefits provided.

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/ukpaw/documents/aegon-uk-sfcr.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 you would bear any losses arising from that third party's failure to meet its obligations. You'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.

If you require further information on this you should speak to a financial adviser or contact us using the details that can be found at the end of this guide.

Want to know more?

0345 601 7721

my.pension@aegon.co.uk

aegon.co.uk/targetplan

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Aegon UK

MIX
Paper from responsible sources
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WP 380080 09/24