

For customers | Aegon Retirement Choices

Changes to Aegon Retirement Choices (ARC) Terms and conditions

Effective as at April 2015

We've made changes to the ARC Terms and conditions and we've detailed these in the table below.

A number of the changes to the terms and conditions are to cater for recent legislative change. These changes are commonly referred to as the 'pension flexibility' changes for those that cover changes announced in the March 2014 Budget, and the 'DWP Charges' changes that cover Department of Work and Pensions changes to the charges that can be made for pensions provided through employers.

Other changes we've made cover terms for a new investment option called Secure retirement income which we'll be launching in the near future.

We've made some other alterations to reflect process changes we've made to ARC. All other changes are minor and don't affect the meaning of the terms and conditions (for example an updated clause reference, making something clearer or incorrect word replaced with the correct one).

Where a clause has been added or deleted, all other clauses have been renumbered accordingly. Any reference to a clause is to the old clause number, unless otherwise stated. These changes take effect on and from 6 April 2015.

Page number references are to the December 2014 version of the ARC Terms and conditions. Due to an increase in the font size of these terms and conditions, the revised version has more pages.

Page(s)	Change
1	The effective date of the document has been changed from 'December 2014' to 'April 2015'.

Page(s)	Change
5 – 8	<p>Definitions changed:</p> <ul style="list-style-type: none"> ▪ Annual Allowance ▪ Discretionary fund manager ▪ Drawdown pension ▪ Flexible drawdown <p>Definitions added:</p> <ul style="list-style-type: none"> ▪ Capped drawdown ▪ Flexi-access drawdown ▪ Secure retirement income ▪ UFPLS <p>Definitions removed:</p> <ul style="list-style-type: none"> ▪ Additional subscription ▪ Aegon investment list ▪ AUT ▪ Consultancy charge ▪ Flexible drawdown declaration ▪ Minimum income requirement <p>Please note that we have altered references to the 'Aegon GIA', 'Aegon ISA' and 'Aegon SIPP' to 'GIA', 'ISA' and 'SIPP' throughout the terms and conditions and the ARC Insured Funds Policy.</p>
9	<p>The second paragraph of clause 3.3.2 has been altered to confirm that if you do not have an adviser but do not have your login details, you can contact us for these.</p>
10	<p>Under the 'ISA' bullet of clause 4 we have removed references to 'cash ISA' as we no longer offer a cash ISA.</p> <p>The second paragraph of clause 5.1 has been amended to confirm that any application for a product wrapper is to be in a form determined by us.</p>
11	<p>Number 'v' has been removed from clause 5.3.6 as we no longer receive rebates from fund managers.</p>
12	<p>A new paragraph has been added to clause 5.4.2 to confirm that the cash maintenance and forced disinvestment process does not apply to any investment that you have in Secure retirement income unless it is to meet certain payments we are required to make such as taxes due or on the order of a court.</p> <p>Clause 5.4.5 has been amended to give more flexibility. This clause now confirms that we will choose the start date for the cash maintenance process based on the reason for starting it. This allows us to more accurately target the cash maintenance process to the reason for it taking place.</p>
15	<p>Cash ISA has been removed from the table in clause 7.3 as we no longer offer a cash ISA.</p>
16	<p>Clause 7.4 has been updated to reflect changes we have made when appointing of a discretionary fund manager including that all investments through discretionary fund managers are through model portfolios, and what happens when you stop using them (the last clause in 7.4).</p>

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16	The second paragraph of clause 7.5 has been removed as it was a repetition of what is stated elsewhere in that clause.
	Clause 7.5.1 has been updated to confirm that in exceptional circumstances, investments may not be tradeable online and we will inform you how you can trade if this happens.
17	New clause 7.5.4 added to make it clear that investments are subject to conditions imposed by us or the investment manager from time to time, and that you will be told about any conditions that apply when you look to purchase an investment (or as soon as we can if we are not aware of the restriction at that time).
	Clause 7.6.3 has been deleted as it no longer applies. All investments that paid rebates, which we placed in your cash facility, have been removed from the Service and replaced with 'clean' investments that do not pay rebates. We contacted all those affected by this during the processes of converting these investments.
	Clause 7.9 has been updated to confirm that where we cannot carry out an instruction, the money will remain in your cash facility until we receive an alternative instruction.
18	Clause 7.13.1 has been amended to make it clear that rebalancing can also be used with model portfolios.
	Clause 7.13.2 has been amended to clarify that rebalancing can be set up after a product wrapper is established, and that it will commence the month following the setting up of the rebalancing.
	Clause 7.13.3 has been amended as we no longer have a 0.01% tolerance, your investments will always be rebalanced as detailed in the rebalancing instruction.
	Clause 7.13.8 has been updated to confirm that Secure retirement income is one of the types of investment not included in a rebalancing instruction.
19	Clause 7.14.2 has been amended to confirm that any change to a model portfolio not only switches the investments but also realigns any rebalancing instruction to the new model portfolio.
22	Clause 9.5.5 has been removed as we no longer offer cash ISAs.
	Clause 10.1.2 has been updated to include where a withdrawal is instructed by your adviser on your behalf
23	A new clause 10.1.8 has been added to make it clear that payments out will be after deductions of outstanding charges, taxes or similar outstanding payments.
	A new paragraph has been added to clause 10.3.2.2 to confirm that the annual charge is not applied to any investment in Secure retirement income that you have, as Secure retirement income has its own charging structure. The value of Secure retirement income is still included in the total value that is used to calculate the annual charge percentage that is applied to your ARC product wrappers.

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24	<p>Clause 10.3.2.6 has been amended to enable compliance with the DWP charges changes. The position now is that there are no employer discounts and these have been removed from this clause, meaning it only details the position for adviser discounts.</p> <p>A new paragraph has been added to clause 10.3.3.1 to confirm that the customer fee is not applied to any investment in Secure retirement income that you have, as Secure retirement income has its own charging structure.</p>
25	<p>Clause 10.3.4 has been amended to enable compliance with the DWP charges changes. The position now is that if you start out on ARC through an employer, the charging structure you have with that employer will be your charging structure for all the time you are on ARC, even if you change employers or move to another adviser.</p> <p>In addition, if you join an employer, and have not previously been on ARC through an employer, you will move to the charging structure of that employer for the rest of the time you are on ARC.</p> <p>The only exception to staying on the charging structure mentioned in the above 2 paragraphs is where you are still with that employer and we agree a new charging structure with that employer. In these circumstances, you will move to this new charging structure we have agreed with that employer. However, once you leave that employer, you will stay on the charging structure you were on at the time of leaving.</p> <p>If you are not on a charging structure we have agreed with your employer and you change advisers, the position remains as it was in other words you will change to the charging structure of your new adviser.</p> <p>A new clause 10.3.5.4 has been added to confirm that the drawdown fee will not be deducted from any investment in Secure retirement income, and that if you only have investments in Secure retirement income, there will be no drawdown fee. However, please note that if there is any money remaining in the cash facility after payment of your requested drawdown income, this will be treated as uninvested cash. The effect of this is that the drawdown fee will be payable, even if you have no other investments than Secure retirement income and the uninvested cash.</p> <p>A new clause 10.3.6 has been added confirming that we may charge for processing a request for an uncrystallised funds pension lump sum. Where we introduce such a charge, we will give you sufficient notice of its introduction.</p>
26	<p>A new clause 10.4.5 has been added to confirm that if there is not enough money in your cash facility to pay any adviser charge, the cash maintenance process will apply. However, if the only asset you have is Secure retirement income, this will not happen as the cash maintenance process does not disinvest from Secure retirement income: in these circumstances, no adviser charge will be paid.</p>
27	<p>Clause 10.4.8.3 has been amended to confirm that the discretionary investment manager charge does not include any investment held in Secure retirement income.</p>
28	<p>Clause 10.4.12 has been amended to clarify that we can also stop payment of the charges mentioned if you or your adviser advise us you no longer want to remain invested in the model portfolio of the discretionary fund manager.</p> <p>In addition, we have removed the confirmation that we will advise you of the action we have taken as this does not apply to this clause.</p>

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28	Clause 10.5 Consultancy charge has been deleted as this no longer applies. References to consultancy charge have also been removed from a number of other clauses.
31	Clause 13.6.2 has been amended to confirm that we can also provide your personal information to your discretionary fund manager where you have provided them with the right to receive it.
Section B – the Aegon Individual Savings Account	
36	<p>Clauses 1 and 4.3 have been amended to reflect that we no longer offer a cash ISA.</p> <p>The fourth bullet of clause 1 has been amended to make it clear that you can apply for a second stocks and shares ISA in a tax year where one of those was an application in accordance with the rules around taking out an additional ISA on the death of your spouse or civil partner.</p>
	<p>Clause 4.2 has been updated on the same point as the fourth bullet in clause 1 mentioned immediately above.</p> <p>In addition, it also confirms the position that transfers can be made from a stocks and shares ISA to a cash ISA, as well as the other way around.</p>
37	<p>Clause 7 has had the wording referring to cash in a stocks and shares ISA being taxed prior to 1 July 2014 removed as this only applied up to the tax year 2014/15.</p> <p>Clause 10.2 has been amended to confirm that where there is a break in subscriptions and you have a cash ISA, we will not accept any new application as we no longer offer cash ISAs.</p>
38	New clause 13.5 has been added to confirm that your spouse or civil partner can apply for an additional ISA on your death in accordance with the relevant ISA regulations.
Section C – the Aegon SIPP	
41	Clause 4.2 vi has been amended to confirm that if you are in a default fund due to contributing through your employer’s pension scheme and that default fund changes, all future contributions and all current investments in the old default fund will be switched into the new default fund.
42	Clause 7.5 has been amended. As before, it confirms that where there is a block transfer in and you have a protected low pension age, all benefits have to be taken at the same time. The amendment confirms that any transfer in that relates to benefits that had crystallised before they were transferred in will be ignored for the purposes of taking all the other benefits.
	Clause 9.4 has been amended to confirm that instructions to take benefits will be in a manner prescribed by us (as opposed to always being in writing), this is to enable us to offer online or other methods of requesting benefits. In addition, this clause confirms that if we allow your adviser to make this request on your behalf, you have given your adviser the appropriate authority to do this.

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43	<p data-bbox="256 174 1487 338">New clause 10 has been added. This covers unsecured funds pension lump sum ('UFPLS'), confirming that you can request a partial or full UFPLS from age 55, a low protected pension age or if you meet the ill-health conditions. Any request is subject to such terms that we may impose, for example you provide us with the information we need, any minimum amount of withdrawals, payment of charges.</p> <p data-bbox="256 369 1446 401">Clauses 10.3 to 10.5 have been removed as they were a repetition of clauses 9.3 to 9.5.</p> <p data-bbox="256 432 1487 499">Clause 12.1 has been amended to remove the references to forms to enable other methods of application (for example online) to be made.</p> <p data-bbox="256 531 1487 627">Clause 12.2 has been amended as we no longer pay 'on or around the sixth business day of the month' but on dates selected by you in the range we give you when you ask for payment of drawdown income.</p> <p data-bbox="256 659 1487 756">New clause 13.3 (after renumbering) has been added after old 12.2, this confirms that any change to a drawdown payment will occur in the month after the month in which it has been requested.</p> <p data-bbox="256 787 1487 884">Clause 12.3 has been amended as we will only pay regular drawdown income monthly unless you and we agree otherwise (this does not affect any existing arrangements that are payable at a different frequency for example quarterly).</p> <p data-bbox="256 915 1455 982">Clause 12.6 now confirms that the maximum drawdown that you can receive depends on whether you have 'capped' or 'flexi-access' drawdown.</p> <p data-bbox="256 1014 1487 1144">New clause 13.10 (after renumbering) has been added confirming that payment of income from any investment you have in Secure retirement income will be paid into the cash facility. It also states what will happen if this income from Secure retirement investment is more or less than the amount of drawdown pension you have requested.</p> <p data-bbox="256 1176 1455 1306">Clause 13 has been deleted and replaced with a clause that confirms that any flexible drawdown that you have on 5 April 2015 will automatically be converted to flexi-access drawdown on 6 April 2015. This is a change forced by legislation. If it applies to you then you should speak to your adviser for more information.</p>
44	<p data-bbox="256 1346 1487 1413">Clause 15.2 has been amended to confirm that we need sufficient evidence of death before we can to process any claim or payment in relation to the death benefits.</p> <p data-bbox="256 1423 1455 1520">A new paragraph has also been inserted into this clause confirming that where there is a joint life within an investment in Secure retirement investment, that joint life is the nominated person on death unless they have been specifically removed.</p>

Page(s)	Change
ARC Insured Funds Policy	
48 – 49	<p>Definitions altered:</p> <ul style="list-style-type: none"> ▪ Dependant’s drawdown pension ▪ Drawdown pension <p>Definitions added:</p> <ul style="list-style-type: none"> ▪ Aegon guarantee charge ▪ Aegon product charge ▪ Anniversary date ▪ Capped drawdown ▪ Flexi-access drawdown ▪ Guaranteed minimum death benefit ▪ Guaranteed pre-income increase rate ▪ Income base ▪ Income basis ▪ Income rate ▪ Initial Income Base ▪ Joint life ▪ Monthly date ▪ Secure retirement income
52	<p>Clause 6.3 has been updated to confirm that investments are traded online but in exceptional circumstances, investments may not be tradeable online and we will inform you how you can trade if this happens.</p> <p>A new Clause 7 has been added. This clause details how investments in the new Secure retirement income option will operate. Secure retirement income will be available in the near future through your adviser. If you are interested in this, please speak to your adviser for more information.</p>
Basic Scheme Information	
57 – 60	<p>There have been some updates to the basic scheme information sheet. These changes are to provide current year limits and also include some information on the pension flexibility changes such as the money purchase annual allowance, the introduction of unsecured funds pension lump sum, the introduction of flexi-access drawdown pension, and the conversion of flexible drawdown to flexi-access drawdown.</p>