

Changes to Aegon Retirement Choices (ARC) Terms and conditions

Effective as at 1 April 2016

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

We've made some alterations to reflect process changes we've made to ARC, to confirm how the death benefits are payable under the SIPP, and to make some areas clearer to you. 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 with a minor amendment, or an incorrect word replaced with the correct one).

We updated the ARC Terms and conditions in October 2015 for ISA customers to clarify some points under the Client Money Rules issued by the Financial Conduct Authority. These changes were for clarity only and no change was made to your position and how your investments are held. However, for completeness, we have noted these changes within this table.

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 1 April 2016.

Please note that the page number references are to the April 2015 version of the ARC Terms and conditions.

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General	<p>Throughout the terms and conditions, we mention 'product wrappers' and 'the Service', and these are defined terms. We have changed the definitions of these to make it clearer how they interact. This has led to the use of these defined terms being considered throughout the terms and conditions and we have amended where they are used in various locations.</p> <p>We have done this to make it clearer to you that your contract with us is to take out a 'product wrapper', and it is within this product wrapper that 'the Service' is offered. The Service itself is the systems that we provide that allows you or your adviser to manage your investments and product wrappers online, and may include other services that relate to your product wrappers for example retirement planners and calculators.</p>
1	The effective date of the document has been changed from 'April 2015' to 'April 2016'.
5-10	<p>Definitions changed</p> <ul style="list-style-type: none"> • Adviser • Another provider

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	<ul style="list-style-type: none"> • Client, you, your • Client profile • Dependant • GIA • Platform terms of business (to Adviser terms of business) • Product wrapper • Re-registration • Scheme adviser • The Service <p>Please note that most definitions altered have been altered due to the changes to 'product wrappers' and 'the Service' and their use throughout the terms and conditions.</p> <p>Definitions added</p> <ul style="list-style-type: none"> • Client money rules was added in October 2015 • Joint life • Survivor <p>Definitions removed</p> <ul style="list-style-type: none"> • Drawdown pension fund lump sum death benefit
14	<p>Clause 5.3.3 was updated in October 2015 to confirm that if the bank we use enters into insolvency, you will become an ordinary creditor of that bank.</p>
15	<p>Clause 5.3.9 has been amended by changing the minimum amount that requires to be held in the cash facility from 1% to 0.25%. You or your adviser will have already received a communication detailing this and how it affects your investments.</p>
15	<p>Clause 5.3.10 has been amended by changing the minimum amount that requires to be deducted from future contributions and payments and held in the cash facility from 1% to 0.25%. You or your adviser will have already received a communication detailing this and how it affects your current and future contributions.</p>
15	<p>Clauses 5.4.1 and 5.4.2 have been amended to reflect the process that we carry out when we have to disinvest investments to ensure that the cash facility has enough cash to meet the minimum amount that requires to be held in it, pay charges, or make any other payment (such as income payments or adviser charges) when there is not enough in it to make these payments.</p> <p>We will encash the largest single investment within your product wrapper that we have not excluded from an automatic top up of the cash facility. To find out which types of investment we have excluded, please contact us. Please note that if you have a Secure retirement income account, this top up process will never encash any part of your Secure retirement income account.</p> <p>In the event of us being unable to cash in any investment, any outstanding amounts that are deducted (for example, charges) will remain as a debt against your product wrapper, the amount of this debt will be taken as soon as the cash facility has enough cash in it to meet this debt.</p>

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18	Clause 7.1 was updated in October 2015 to confirm that cash accounts we use are subject to the client money rules.
19	<p>New clauses 7.1.7 and 7.1.8 were added in October 2015. Clause 7.1.7 clarifies that investments may be held by a third party and may be pooled with investments of other investors. In addition, we confirm that the GIA and ISA are covered by the Client Money Rules but the SIPP, as a contract of insurance, is covered by a different regulatory regime. We also confirm that we segregate your investments from our own assets.</p> <p>7.1.8 confirms that in the event of our or an investment manager's insolvency, you may have a claim with the Financial Services Compensation Scheme.</p>
21	The table in 7.3 that details the 'gates' has been updated under gate 1 to confirm that the asset types under this gate do not include any investments held in a Secure retirement income account as this is only available through gate 4.
24	Clause 7.11.1 now confirms that there are some investments that deal at different times from those detailed. This will happen where the fund has its own dealing points (for example it may only deal once a month) which can be found out by asking your adviser or contacting us.
24	Clause 7.13.1 now gives examples of investments not included in rebalancing (equities and Secure retirement investment).
26	Clause 8 has had a paragraph added confirming that this clause does not apply to the ARC insured funds as these funds are covered by the ARC Insured Funds Policy.
29	Clause 9.3.1ii has been updated to confirm that if you have a SIPP that holds only ARC insured funds (other than the cash facility) you will no longer receive a half yearly statement in April. If you have a SIPP that does hold other investments, a GIA, or an ISA you will still receive these half yearly statements.
39	New clauses 10.4.6.4 and 10.4.7.3 have been added. These clauses confirm that payment of initial and ongoing adviser charge that has not already been deducted from your cash facility will be stopped on us receiving notification of your death.
41	Clause 11.3 had a new paragraph added in October 2015 to confirm what happens if there is no movement in your cash facility for over 6 years.
42	Clause 13.3 'Best execution policy' has been removed as this is the same policy as the 'Order execution policy' mentioned in clause 13.2.
43	Clause 13.3.5 has been updated to confirm that we are not liable for the actions of third parties with or through whom investments are held.
44	Clause 13.5.2 has been updated to confirm that we may pass information you have provided together with details of the investments you hold under product wrappers and their value to the scheme adviser.

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Section A – the Aegon General Investment Account (GIA)	
48	Clause 3 has been amended to make it clearer how tax is treated within a net or a gross GIA. In a net GIA for individuals we pay interest net of tax, and income/distributions/dividends net of withholding tax. For gross GIAs for corporate entities, trusts and charities we pay interest gross of tax, and income/distributions/dividends net or gross of withholding tax. It is your responsibility to ensure the correct amount of tax is paid.
Section B – the Aegon Individual Savings Account (ISA)	
50	Clause 1, fourth bullet has been amended to confirm that you can only have one stocks and shares ISA in a tax year, apart from where legislation allows otherwise.
50	New clause 2.5 has been added to confirm that the stocks and shares ISA will not be a flexible ISA after 5 April 2016.
52	Clause 6 has been deleted as we no longer offer cash ISAs and there are no cash ISAs remaining. All subsequent clauses have been renumbered.
52	Clause 7 has been renumbered as clause 6 and updated with the details from the old clause 6 that relate to HSBC that apply to the stocks and shares ISA.
Section C – the SIPP	
56	The second last paragraph of clause 3.5 has been amended to confirm that if you opt out of any increase to your contributions made in line with the minimum contribution requirements set out by the Government, your contributions will cease in their entirety (not just the increase) unless you come to an alternative arrangement with your employer.
56	Clause 4.1 has been updated to confirm that the cash facility is part of the default fund.
57	Clause 4.2vi has been updated to confirm that the cash facility can be changed separately from the rest of the default fund and we will advise you if this happens.
58	Clause 9.2 has been updated to reflect that there is a minimum fund value required for entering into a drawdown pension.
60	Clause 13.2 has been updated to provide details of the dates you can ask for income to be paid on, that we will tell you of any update to these dates, and that if a date chosen is not a business day, we will make payment on the last business day before that date. Please note that it will still reach your account some time after this depending on the clearing rules of our and your bank.
60	Clause 13.10 has been amended to clarify that income payments from a Secure retirement income account can remain in the cash facility and there is no requirement to pay it as drawdown pension.

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61	How the death benefits are payable has been altered (see below for more details on some specific clauses). Generally, where there is a reference to 'dependant', this has been altered to 'survivor' to reflect these changes.
61	Clauses 16.2 to 16.4 have been deleted and replaced with new clauses 16.2 to 16.8. These provide the details of how the death benefits are payable following on from the 'Pensions Freedoms' of 2015. These can be complex depending on your personal circumstance and you should discuss these with your adviser or contact us for more information.
63	Clause 19 has been updated to reflect how death benefits are payable on the death of a 'survivor'. A 'survivor' is someone who has previously received death benefits and these are still held in the SIPP.
ARC Insured Funds Policy	
65-67	<p>Definitions changed</p> <ul style="list-style-type: none"> • ARC insured fund • Dependant • Dependant's drawdown pension (altered to Survivor's drawdown pension) • Dependant's drawdown pension commencement date (altered to Survivor's drawdown pension commencement date) • Lifestyle fund • The Service <p>Definitions added</p> <ul style="list-style-type: none"> • Survivor <p>Definitions removed</p> <ul style="list-style-type: none"> • Drawdown pension fund lump sum death benefit
68	Clause 4.4 has been rewritten to make it clearer how funds are closed and wound up. The changes also provide consistency across all our policies as to how we close and wind up funds, ensuring that we treat all fund holders the same when we do this.
69	Clause 4.5 has been altered as Lifestyle funds no longer target just annuity purchase but retirement in general.
78	The first two bullets in clause 7.4.2.1 have been reworded to make them clearer.



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