



For customers

Welcome to your pension

We're pleased to welcome you to your pension plan and to Aegon

We've been helping our customers with their pensions for over 180 years and we know that putting our customers at the heart of everything we do is what matters.

That's one of the reasons why we've put together this welcome pack, to help you find the information that you might need now or in the future.

This booklet gives you important information about your pension plan, including your policy. You'll also get a policy schedule(s), confirming specific details of your plan(s). You should read this booklet and check that the details in your policy schedule(s) are correct. If you have questions, please contact your Group Personal Pension scheme adviser or you can call us on 03456 100 010 (call charges will vary).

To help make managing your pension plan as simple as possible, we've included a section called '[Pension choices when life changes](#)'. This gives you some examples of things that might happen to you throughout the lifetime of your plan, such as leaving your company or making a change in your contributions.

Need this document in a different format?

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 03456 10 00 10 (call charges will vary).

We'll also be in touch every year to send you a statement of your plan.

One of the benefits of having a pension plan with us is that you can access and manage it online. You'll receive a separate letter telling you how to register for our online services. It's quick and easy to do, and once you're up and running you can, for example:

- see how much money you have in your plan;
- see the funds your money's invested in, how they're performing and their current prices;
- check your contribution history;
- update any of your personal details; and
- move investments between different funds (you should speak to the scheme adviser or a financial adviser before you do this).

You can register for our online services at aegon.co.uk/activate

If you have any questions about your plan now or in the future, you'll find our contact details in the '[How to get in touch](#)' section. When you contact us, please have your plan number to hand so we can help you with your enquiry as quickly as possible.

If you haven't already, please complete a **Death benefits nomination form** and ensure it's kept up to date. It's important you complete this and send it back to us as a record of your expression of wish. You can update your death benefit nomination in a few different ways. You can sign in at aegon.co.uk/login you can visit aegon.co.uk/onlineform and select 'Customer' and the death benefit option from the dropdown.

You can also [print a death benefit nomination paper form](#), which you can download from our document library under 'forms' at aegon.co.uk/customer/pension-bond complete it and send it in to us at the address in the '[How to get in touch](#)' section of this booklet. Alternatively you can call us and we'll send you a form directly. If you want to change these details at a later date, please follow the same process.

Pension choices when life changes

Here are some of the everyday questions we hear from our customers.

1. I have a pension elsewhere, what can I do?

If you have pension benefits with other companies or previous employers, it may be possible to transfer these into your plan. In this way, you can combine all your retirement nest eggs in one place (this is called consolidation). If you do decide to transfer your benefits, and of course you don't have to, you should think about what you may be giving up under your existing arrangement. Transferring may not be the best option for you as you may lose features, protections, guarantees or other benefits. You should check the terms and conditions of your existing arrangement and compare them with your new arrangement before moving your benefits. However, you should get professional financial advice before making this decision as your investment and benefit options will vary from plan to plan. There may be a charge for this.

2. I've left my company and started a new job. What can I do with my old company pension plan?

Even if you change employer, you can still keep your plan with us by converting your group plan to an individual plan. In most cases you also have the option to transfer your benefits to your new employer's pension scheme. However, you should discuss all of your options with a financial adviser.

3. I've just been made redundant – what can I do with my company pension plan?

If your financial situation changes, you'll have a number of options relating to your company pension plan. As you've left your company pension plan, you could convert your group plan to an individual one. You might decide to reduce your monthly contributions, or even take a payment holiday until you can afford to continue making payments. (Although stopping or reducing payments can affect your final pension pot).

If you join a new company, your new employer may be prepared to pay in to your pension plan or you may be able to transfer your benefits to your new employer's pension scheme. Our team can explain these options in more detail, but we recommend discussing them with a financial adviser.

4. I don't have a financial adviser but would like some more details about what they could help me with and how much they cost. Where can I get this information?

Your employer may have appointed an adviser or, if you don't have a one, you can visit moneyhelper.org.uk/choosing-a-financial-adviser to find the right one for you. Once you've completed this, you'll be sent a list of independent financial advisers in your area that meet the requirements you entered. Anyone can access a financial adviser's services, and if you contact them directly they can give you more details about what they can offer and how much they charge.

5. I've been promoted and have some extra income. Can I increase my monthly contributions?

You can review and increase your contributions at any time. You should speak to your employer to find out more about the options available under your group plan.

6. Can I change some of the funds I'm invested in?

As your circumstances change, you may want to change your fund choice (known as switching). You can do this any time, normally free of charge – see section 7.4 in your policy conditions for more information.

To switch funds, you can contact us directly, or visit digital.feprecisionplus.com/aegonportal and use our online services. You can find details of what online services can do for you in the 'Welcome' section on page 2. You should get professional financial help if you need any fund switching advice.

7. **I want to see what my pension plan is worth. How do I do this?**

We'll send you yearly statements showing you details of your plan. You can also access our online services at any time to check how your plan is doing. These are explained in more detail on page 2. Alternatively, you can call or email our team for information (it's helpful if you have your plan number to hand when you phone). You can find our contact details in the '[How to get in touch](#)' section on page 6.

8. **When and how can I draw my pension?**

You can take benefits from your plan at any time between the ages of 55 and 75 (including while you're still working) and earlier if you're in ill health. The normal minimum pension age will increase from age 55 to age 57 from 6 April 2028.

If you don't want to take your benefits before age 75, you can transfer the value of your plan to another plan and choose to remain invested. You should speak to a financial adviser before you reach age 75 if this is something you're considering.

You should remember that your plan has been designed to provide you with an income in retirement. You can also usually take a tax-free cash lump sum of up to 25% of your pot. If you take some of your benefits early, you should consider the effect this might have on your retirement income. This information is based on our understanding of current taxation law and HMRC practice, which may change.

9. **Can I cash in the whole of my plan early?**

This may be possible, subject to the tax rules that apply at the time. For example, if you're in ill-health, you can take benefits before age 55. If you need to discuss this with us, please contact one of our team. You'll find our address details in the '[How to get in touch](#)' section on page 6.

10. **Can I change the retirement date of my plan?**

Yes – you don't need to take your benefits at your retirement date. Subject to the age restrictions detailed in question 8, you can alter the plan retirement age at any stage. If you decide to do this, you should contact us and we'll give you more details about your options. You'll find our address details in the '[How to get in touch](#)' section on page 6.

We're here to help you, but we can't give you any financial advice. If you need this, you should speak to a financial adviser. You may have to pay for this advice. If you don't have a financial adviser, you can visit moneyhelper.org.uk/choosing-a-financial-adviser to find the right one for you



How to get in touch

We're always happy to hear from you.

Customer helpdesk

If you have any questions about your employer's scheme or your plan, please make a note of your scheme/plan number and contact us online: [aegon.co.uk/onlineform](https://www.aegon.co.uk/onlineform) or by phone on **03456 100 010** (call charges will vary).

Financial advice

We'll be happy to give you information about your plan and the options open to you, but we can't give you any financial advice. If you need advice on contribution levels, transfers, investment decisions or cashing in your plan, please speak to your scheme adviser. Your employer may have appointed an adviser or, if you don't have an adviser, you can find one in your area by going to: [moneyhelper.org.uk/choosing-a-financial-adviser](https://www.moneyhelper.org.uk/choosing-a-financial-adviser)

In writing and online

If you'd like any more information about the scheme, you can ask for this by writing to:

Aegon and Scottish Equitable Pensions and Bonds
Sunderland
SR43 4DS

Or you can find out more on our website:
[aegon.co.uk](https://www.aegon.co.uk)



How to get advice or make a complaint

We hope you never have to complain, but if you do, the first step is to contact us. If you're not satisfied with our response, you can then raise the issue by contacting the following organisations:

[The Financial Ombudsman Service](#)

Phone: 0800 023 4567 or 0300 123 9123

Email: complaint.info@financial-ombudsman.org.uk

Write to:

Financial Ombudsman Service
Exchange Tower London
E14 9SR

financial-ombudsman.org.uk

[The Pensions Ombudsman](#)

Phone: 0800 917 4487

Email: enquiries@pensions-ombudsman.org.uk

Write to:

10 South Colonnade Canary Wharf
E14 4PU

pensions-ombudsman.org.uk

If you'd like a copy of our complaints procedure, please ask us, or you can download it at aegon.co.uk/support

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

If your complaint relates to financial advice you've been given you should speak to the financial adviser in question.

[Compensation](#)

Your plan with us is covered by the Financial Services Compensation Scheme (FSCS). As such, you (or your beneficiaries, as appropriate) may be entitled to compensation from the FSCS, if we can't meet our obligations. This depends on the type of business and the circumstances of the claim.

Further information is available from:

[Financial Services Compensation Scheme](#)

10th Floor
Beaufort House
15 St Botolph Street
London
EC3A 7QU

0800 678 1100 or 0207 741 4100

fscs.org.uk

Policy conditions

Introduction

This booklet includes details that are appropriate for a range of group personal pension, group self-invested and group stakeholder plans, which we call 'GPP' in this booklet.

We confirm the version number for your **GPP** in your **policy schedule**, for example 'GPP V9', 'GSIPP V13A' or 'GSH V12A', or may confirm this separately if there's any need to change the terms of your **policy**.

You may have joined your **GPP** with **Aegon** voluntarily, or your employer may have enrolled you in the **GPP**. In either case, you have a contract or contracts with **Aegon**.

The terms set out in this booklet, your **policy schedule(s)**, and anything we send you changing your contract, explain your contract.

Each **policy** that we confirm in your **policy schedule(s)** is a separate contract.

This booklet sets out details that apply for policies coded:

We may change the terms of your policy from time to time, as set out in section 3 on page 12. You can get the most up to date version of this document, which acts as your policy booklet, by visiting aegon.co.uk/customer/pension-bond and viewing the 'Welcome to your pension guide'.

GPP V15	PP9	PP6	PP 9M3	PP SP1
GPP V13B	PP8	PP5	PP 9M2	PP SH1
GPP V13A	PP V8A	PP4	PP 9S3	
GPP V12A	PP V8B	PP3	PP 9S2	PP SC2
GPP V10A	PP7	PP2	PP 9S1	PP SC1
	PP V7	PP1	PP 9M1	
GSH V12A	PP V7A	PP1A		
GSH V10A	PP V7B	PP1B		
GSIPP V13B				
GSIPP V13A				
GSIPP V12A				
GSIPP V10A				

Contents

Conditions of membership	10	Waiver of contribution benefit policy	39
1. Definitions and interpretation	11	1. Definitions and interpretation	40
2. Overriding provisions	12	2. Overriding provisions	40
3. Changes to your policy	13	3. Discretionary powers	41
4. Contributions	13	4. Evidence of health and other information	41
5. The investment funds	19	5. Charges and changing the terms of your waiver policy	41
6. Valuing investment funds and working out unit prices	23	6. Benefits	42
7. Switching investments	24	7. Temporary breaks in incapacity	45
8. Liabilities and expenses of the investment funds	25	8. Evidence of incapacity	45
9. Deferring the cancellation of units	25	9. Alternative occupations	45
10. Death before taking benefits	27	10. Exclusions	46
11. Transfer	28	11. Missing contributions and suspension of waiver benefit	47
12. Taking benefits/retirement	29	12. Units secured by benefit contributions	47
13. Fund adjuster	29	13. Miscellaneous	47
14. Fund value rebate	32	14. Evidence of health	48
15. Charges	32		
16. Overseas aspect	36		
17. Written communications	36		
18. Applicable law	37		
19. Evidence of age and other information	37		
20. Miscellaneous	37		
21. Termination	38		

Conditions of membership

Contributions

The **scheme** can accept personal contributions paid by you, your **GPP employer** (or by someone else on your behalf).

You and your employer can make single or regular contributions.

Tax relief is available on contributions, but may be restricted if contributions over the annual allowance (the limit set by the Government) are paid. Under current tax legislation, a contribution will be eligible for tax relief provided it's paid when you're under age 75, and you're a relevant UK individual (broadly, subject to UK tax) for the tax year in which it's paid.

If your **GPP employer** arranged for you to be auto-enrolled into the **GPP**, there are legal minimum contribution requirements applying to the total contributions and employer contributions. These minimum contribution requirements mean that you may be required to contribute to the **GPP** (to meet the minimum).

Contributions and transfer payments will be applied to an individual policy or policies as described in this booklet and in other material we give you. You can also get details from our website.

This booklet also includes the terms for a separate waiver of contribution benefit **policy** which you may take out with **Aegon**. You'll get a **policy schedule** confirming waiver of contribution benefit details if this also applies for you.

HMRC rules on tax relief on your contributions

Where you applied to join the **GPP**, you will have given a declaration as part of the joining process confirming you meet **HMRC** rules. This declaration is that:

- your total contributions to all UK registered pension schemes (schemes that attract tax relief) will not be greater than:
 - a. your 'relevant earnings' (broadly UK taxable earnings directly from a trade, or profession or employment); and
 - b. £3,600, if your relevant earnings are less than £3,600.
- if you move out of the UK, for tax purposes or lose eligibility for tax relief on any contributions that you pay to the **GPP** (because your earnings have reduced), you will confirm this to us before the later of:
 - a. 30 days after the change; and
 - b. the 5 April at the end of the tax year when your circumstances change.

If your **GPP employer** arranged for you to be auto-enrolled into the **GPP**, **HMRC** rules require your **GPP employer** to give this declaration on your behalf. Your **GPP employer** must confirm that the details they give us to set up your **GPP** are correct.

You should check information that we send you, to ensure that all of your personal details are correct – and contact us or your **GPP employer** if there's anything wrong in your personal details shown in your **policy schedule**.

The declaration from you, or on your behalf, also means that **HMRC** rules require you to check:

- that you are not breaching the limits on contributions qualifying for tax relief set by **HMRC**; and
- if you move out of the UK, you tell us as soon as possible.

- You should keep all the information that we give you about your **GPP** together in a safe place.
- Please remember to tell us if you change your name or move house, so that we can help ensure that you don't lose track of your **GPP**.

1. Definitions and interpretation

The following words and expressions have the meanings as set out below:

Aegon is a brand name of Scottish Equitable plc.

allotted unit means a **unit** which has been allocated or deemed to be allocated, and which has not been cancelled or deemed to be cancelled.

business day means any day which is a trading day on the London Stock Exchange.

deed means the **deed** or declaration of trust establishing the **scheme** and any amendment or modification to it that is made at any time. If you ask us for a copy of the **deed**, we will give you the version that applies at that time.

dependant means:

- your spouse, civil partner and/or children under the age of 23;
- anyone who was, in our opinion, financially dependent or interdependent on you at the date of your death; or
- anyone who was, in our opinion, dependent on you because of physical or mental impairment at the date of your death.

due date is the day of each month (or year, if **regular contributions** are payable on a yearly basis), as chosen by your **GPP employer** when **regular contributions** will be paid to your **policy**. There is more information on this in section 4.2.

earnings-related contributions means contributions that are calculated as a percentage of your earnings, as determined by and agreed with your **GPP employer**.

GPP is the group personal pension scheme, group self-invested scheme or group stakeholder scheme that this **policy** relates to, as confirmed in your **policy schedule**.

GPP employer means your employer, being the employer who arranged for the **GPP** (and confirmed in your **policy schedule**).

HMRC means Her Majesty's Revenue & Customs.

increase rate means the increase (if any) specified in your **policy schedule** as the rate for increases in **regular contributions**.

index means the index taken from the figures in the 'Actual' column under the heading 'Whole Economy' in the Average Weekly Earnings

Index (the KA5Q table), published by the UK Government (the Office for National Statistics). If the UK Government stops publishing this index, or we decide that it is no longer suitable, we will use another index. The replacement index will either be one published by the Government or calculated by us.

investment fund is a fund in the range available for investing contributions and **transfer amounts** paid to your **policy**, as detailed in section 5.

managed fund company means **Aegon** and/or such other person and/or company (including **Aegon**) as **Aegon** may from time to time determine.

member means you, the member, named in your **policy schedule**.

member contributions are the contributions that you personally pay to your **GPP** as **regular contributions** and **single contributions**, or any contributions that somebody else pays on your behalf as **member contributions**.

pension date is confirmed in your **policy schedule** and is the date your **GPP employer** set as being appropriate for your **policy** for the purposes of estimating benefits and, possibly, fixing certain terms as described in this booklet. You can ask us to change the **pension date** (before you reach the **pension date** confirmed in your **policy schedule**) if, for example, you do not intend to take benefits and will want to continue contributions after the **pension date** confirmed in your **policy schedule**.

pension starting date means the date selected under section 12.2.

policy means your **GPP** contract with us, and is made up of:

- this policy booklet (we confirm the code number of your **policy** in your **policy schedule**);
- your **policy schedule**;
- where an adviser or consultancy charge applies to your **policy** (as described in section 15.5), our Adviser/consultancy charge terms and conditions leaflet; and
- any additional document referred to in this booklet, your **policy schedule** or the Adviser/consultancy charge terms and conditions.

policy schedule means the document called 'policy schedule' or 'plan schedule' that we send you with this booklet or any additional

or replacement information that we send you later. This could be in the form of a replacement schedule or we may tell you specifically that a letter or document we send you confirms a change to your **policy** terms.

We will confirm the policy or plan number(s) that apply to your **policy** in your **policy schedule**.

policy year means the period of one year from the **starting date** and each period of a year after that.

regular contribution means a regular payment that you, someone on your behalf or your employer pay to your **policy**.

RPI means the retail prices index as published by the UK Government (the Office for National Statistics). If the UK Government stops publishing this index, or we decide that it is no longer suitable, we will use another index. The replacement index will either be one published by the Government or calculated by us.

rules mean the **rules** of the **scheme** and any amendment or modification to them that is made at any time and from time to time. If you ask us for a copy of the **rules**, we will give you the version that applies at that time. You can also get a copy from our website.

scheme means the Scottish Equitable Personal Pension Scheme, the Scottish Equitable Self-administered Personal Pension Scheme or the Scottish Equitable Stakeholder Scheme, as confirmed in your **policy schedule**. Your **GPP** is provided under the **scheme**.

scheme adviser means the adviser appointed by your **GPP employer**.

single contribution means a one-off payment that you, someone on your behalf or your employer pay to your **policy**.

smoothing adjustment is described in section 5.7.5.

smoothed value is described in section 5.7.4.

starting date is set out in your **policy schedule**. It means the date when your **policy** started.

transfer amount means any transfer payment made to the **scheme** from any source allowed by the **rules**.

unit in relation to an **investment fund** means

one of the **units** into which the fund is divided. Where the context permits, **unit** includes a fraction of a **unit**, but does not include a **unit** which has been cancelled.

unit price in relation to a whole **unit** of an **investment fund** means the **unit price** calculated in line with sections 4.10 and 5.7 for the **with-profits funds**.

with-profits funds means the With-Profits Growth Fund and the With-Profits Cautious Fund. We describe how these funds work in section 5.7.

2. Overriding provisions

2.1 The terms of your **policy** including:

- the payment of **regular contributions**, **single contributions** and **transfer amounts** to your **policy**; and

- the benefits paid from your **policy**

are subject to being allowed by the **rules**.

2.2 No term of your **policy** will override or take precedence over any provision of the **deed** and **rules** unless we tell you that a term of your **policy** is to override or take precedence over a provision of the **deed** and **rules**.

2.3 We must comply with any court orders we get in respect of your **GPP** (for example, as a result of a pension sharing order as part of a divorce settlement or on dissolution of a civil partnership).

2.4 If you leave the **GPP employer** or decide to leave the **GPP**, we will give you more details on how this affects your **policy** at that time, but:

- you may continue **regular contributions** and pay **single contributions** to your **policy** outside the **GPP** by arranging this direct with us; or
- you can stop all payments to the **policy** – see section 4.6.

2.5 Subject to the terms set out in section 3, we may impose minimum contribution requirements and change these from time to time. You can ask us at any time what the current minimum requirements are and we will tell you if your **policy** is affected by any change to the minimum contribution requirements.

3. Changes to your policy

We can make some changes to your **policy** without your agreement (or, if applicable, without the agreement of some other person to whom a benefit is being paid, for example your **dependant**).

We can make changes to your **policy** from time to time in a reasonable and proportionate manner where it is necessary or prudent to do so. This could be without your agreement and may include, for example:

- where we consider it will make your **policy** easier to understand or fairer to you;
- to allow us to provide an improved, more efficient or lower-cost service to you;
- to reflect market conditions and general industry practice;
- to reflect any changes to the costs we face in providing services to you;
- because of changes in the way we do business;
- to take account of any changes to legislation, codes of practice or regulations and to take account of any decisions made by a court, ombudsman, regulator or similar body; or
- because of changes in technology.

We will only use our discretion to vary your **policy** terms in a reasonable manner and would normally only do so where we give you notice.

We will give you at least 30 days' notice of the change, unless this is not practical or would result in us being unable to comply with legal or regulatory changes or is not possible, in which case we will give you as much notice as we can.

You have the right to terminate your **policy** at any time. If **you** want to do so following variation of the **policy** terms, termination will be subject to the terms set out in section 11 or 12.

4. Contributions

4.1 Types of contributions

a. The contributions which may be paid to your **policy** are as follows:

- **regular contributions** and after the **starting date**, subject to our agreement;
- **single contributions**; and
- **transfer amounts**.

Your **GPP employer** will deduct your **regular contributions** after the allowance for the

basic rate tax adjustment from your pay. Subject to section 4.1.c, contribution rates and **transfer amounts** paid to your **policy** will be confirmed in your **policy schedule(s)**. Your **regular contributions**, your **single contributions** or any paid on your behalf as **member contributions**, will be shown in your **policy schedule** as the rates that apply before allowance for any basic rate tax relief on your contributions – see section 4.3.

Regular contributions may be calculated as a percentage of your pensionable earnings or, subject to our agreement, automatically increase in line with the **increase rate**. If this applies, the percentage rates of the **increase rate** will be confirmed in your **policy schedule**.

- b. **GPP** used as an auto-enrolment scheme
- Your **GPP employer** may use the **scheme** to meet their legal requirements to ensure that certain people are enrolled automatically into a pension scheme meeting the Government's requirements on saving for retirement ('auto-enrolment' or using the pension scheme as a 'qualifying scheme'). Your employer must arrange for you to be told where your **GPP** is to be used as an auto-enrolment or qualifying scheme ('the auto-enrolment rules').

Using the **GPP** to meet the auto-enrolment rules is subject to our agreement. However, we reserve the right to give your **GPP employer** notice that the **GPP**, or any part of it, may no longer be used to meet the auto-enrolment rules. We would do this only if, in our view, we can no longer operate the **GPP** on a basis that is commercially acceptable to **Aegon**, for example:

- if the Government changes the auto-enrolment rules; or
- there is a significant reduction in the average monthly contribution for members of your **GPP**.

If we decided that we can no longer offer the **GPP**, or part of the **GPP**, in a way that will meet the auto-enrolment rules, we will give your **GPP employer** notice. This notice will, in our view, allow your employer sufficient time (normally at least 3 months) to arrange for membership of another scheme that meets the auto-enrolment rules. In these circumstances:

- your **GPP employer** would be responsible for giving you details of the new scheme to apply; and
- we would give you details of your options in relation to your **policy** (as set out in sections 2.4, 11 and 12) and any revised charges in terms of sections 13 to 15.

Where the auto-enrolment rules apply, certain legal requirements must be met:

i. Maximum charges

There is a 'charges cap' that applies to default investment strategies (see section 4.9.2) for plans being used after 5 April 2015 to meet auto-enrolment rules.

The total charges, as described in sections 13 to 15, applied to your **GPP** must then not be greater than the charges cap limit set by the Government. Higher charges can apply where you choose investments in funds other than the default investment strategy.

We offer a range of funds:

- for use as 'default investment strategies' and may change this range from time to time (see section 4.9.2);
- what we call 'compliant funds'; and
- other funds designed for active investors where charges are above the charges cap.

An important feature of the funds we offer as default and compliant funds is that, your **policy** will be protected by the charges cap while invested in these funds. We can confirm this because we monitor and control the expenses for these funds.

If you're not fully invested in our default or compliant funds, you won't be protected by the charge cap (as we don't control those other funds' expenses).

You can get more information about our funds at **digital.**

feprecisionplus.com/aegonportal

The charges cap does not apply to:

- what the Government call 'transaction costs' that is the additional expenses that fund managers pay when buying and selling stocks and shares in a fund; and to
- some other costs that may apply on a one-off basis, such as for implementing a court order, for example a divorce pension sharing order. If any charge needs to be

covered separately (met from your **policy** or, possibly, by a separate payment), we would tell you before applying the charge.

ii. Employer fee

Where we believe that the charges cap does not allow us to offer the **GPP** on a commercially acceptable basis, we may give conditional agreement to the **GPP** being used, or continuing to be used, to meet auto-enrolment rules. Our conditional agreement, in these circumstances, will be subject to the **GPP employer** meeting a separate monthly fee payable for the **GPP**.

If your **GPP employer** agrees to this separate fee, this will offset the charges that we would otherwise apply to your **policy**.

If your **GPP employer** then decides not to pay or stops paying the employer fee:

- your **GPP** would no longer meet the auto-enrolment rules; and
- we reserve the right to stop taking contributions to your **policy** or to increase the charges, as set out in section 3.

iii. Minimum contributions

Where a scheme is used to meet auto-enrolment rules, minimum contribution rates apply to the total of employer and employee contributions that must be paid.

There is also a separate minimum for employers as part of the total minimum.

The minimum contributions mean that you may be required to contribute the difference between the employer minimum and the total minimum to your **policy**. For example, say:

- the Government set the total minimum contribution rate at 5% of pensionable earnings; and
- the employer minimum at 2%.

If the employer pays the 2%, the minimum rate for employees would be 3% in this example. (This 3% would be reduced by the basic rate tax relief applying at the time.)

If the employer agrees to pay, say 4%, the minimum rate for employees would be 1% (again reduced by the basic rate tax relief).

c. If contributions to your **policy** are

affected by the minimum contribution requirements set by the Government in future, contribution rates to your **policy** will be increased automatically (unless you opt-out of the increase). We may not send you a replacement **policy schedule** when contribution rates are increased to meet the minimum requirements set by the Government. You can get more information about the minimum contribution requirements set by the Government from our website or from the **scheme adviser**.

4.2 Payment dates for regular contributions

- a. **Regular contributions** are payable:
 - on the **due date** set out in your **policy schedule**, subject only to b below;
 - on a monthly or yearly basis, as confirmed in your **policy schedule**; and
 - on each **due date** up to your **pension date** or, if earlier, the date when we pay all benefits from your **policy**.
- b. Where your **GPP employer** arranges for you to be auto-enrolled into the **GPP** (as described in section 4.1.b), you will have one month to arrange to 'opt-out' (to be treated as never having joined). During that one month opt-out window, your **GPP employer** will deduct your **regular contributions** (if any) from your pay, but will not pass these to us, for investment, until after the end of your opt-out window. This approach is consistent with what is allowed in legislation and means that, for anyone who chooses to opt-out in that initial opt-out window, **regular contributions** can be more readily refunded without any risk of changes in the value of the **regular contributions** paid. It also means that there is an initial delay in investing contributions during that initial opt-out window for anyone who does not opt-out. As such, if you are auto-enrolled, the first **regular contributions** to your **policy** will not be invested before the **due date** after the end of your opt-out window.

4.3 Tax relief

When a **regular contribution** or **single contribution** is paid as a **member contribution**, it is paid after deduction of the basic rate of income tax that applies when we receive the contribution. We will apply the **regular contribution** or **single contribution** to your

policy as if no tax deduction had been made. We will then claim the amount of tax deducted from **HMRC**. We will retain any amount recovered for our own use.

If we cannot recover the full amount of the tax deducted from **HMRC**, having taken reasonable steps to make the recovery, we will cancel **units** to the value of the amount **HMRC** would not repay. We will cancel **units** at **unit price** proportionately from each **investment fund** in which the **regular contribution** or **single contribution** is invested (and retain the proceeds for our own use). The number of **units** that we will cancel will be what we require to cover the full amount of tax up to the level that we could not recover. If the cash-in value of the applicable **units** is less than the tax that we could not recover (because of a fall in the value of **units** since the contribution was invested) we will cancel **units** proportionately from each **investment fund** in which **units** under the **policy** are invested. In this way, we will recover the full amount of the unrecovered tax deducted (and retain the proceeds for our own use).

4.4 Payments from a waiver policy

Contributions may be paid to your **policy** by an insurer under a policy or contract of insurance (a 'waiver policy') which provides for payments to continue to be made where you are unable to pay contributions because of long-term illness, injury or incapacity. Where this happens, the payments from the waiver policy will be treated as if they had been paid by you, so treated as **member contributions**, to your **policy**.

As far as is reasonable, we will apply the payments to your **policy** to reflect the contribution provisions in force immediately before payment from the waiver policy starts. We may agree to do something different at your written request and, where another insurer is involved, if the other insurer agrees. Where another insurer is providing the payments, we will accept these in good faith and will not need to be aware of the provisions of the other policy and/or to check that the payments from the other insurer are of the right amount or are made on time.

4.5 Latest dates for payments to your policy

Regular contributions, single contributions and transfer amounts must stop no later than:

- the day before your 75th birthday;
- the day before the date of your death;
- the day before the day that you take all benefits from your **policy** as described in section 12;
- the day before your **pension starting date**;
- the day before all of the benefits under your **policy** are transferred out in terms of section 11; and
- such later date that we may agree.

4.6 Contribution increases and reductions

If you want to alter your **regular contributions**, you should contact your **GPP employer** to ask for the change. Your **GPP employer** may apply restrictions on how contributions can be varied. If you decide to reduce or stop contributions, your **GPP employer** may also reduce or stop any **GPP employer regular contributions** to your **policy**. Any restrictions on reducing your contributions will normally be detailed in your contract of employment.

Your **GPP employer** will confirm any change in **regular contributions** to us.

You may apply to us to pay **single contributions** after the **starting date**. We will accept these payments unless there is a reason why we cannot. If we cannot accept a payment, we will tell you the reason.

We may also impose minimum requirements on the amount of **regular contributions, single contributions and transfer amounts** that we are prepared to accept. You can ask us to confirm the minimum levels (if any) that we currently apply and details will be published on our website.

If your **policy is coded PP2 - PP9**, we may apply a special charge where **regular contributions** are reduced and not restored or restarted (a 'paid-up charge'). You can ask us for a copy of the leaflet setting out when a paid-up charge will apply and how we will calculate this, or get a copy from our website.

4.7 Paying contributions and transfer amounts

4.7.1 All contributions and **transfer amounts** must be in UK pounds sterling (or in any other currency that we may confirm is acceptable).

4.7.2 Your **GPP employer** pays **regular contributions** direct to us. We treat each **regular contribution** as being paid on the **due date** unless or until there is any problem with the payment process.

4.7.3 The date we treat a **single contribution** or **transfer amount** as paid is the **starting date** set out in your **policy schedule**, or in another document that we send you relating to that **single contribution** or **transfer amount**.

4.8 Allocation rates

Payments to the **policy** will be allocated as set out below.

4.8.1 Proportion Invested

The proportion of any contribution or **transfer amount** to be invested in your **policy** is the amount of the contribution multiplied by:

- 100%; or
- the percentage rate confirmed in your **policy schedule** as the proportion to be invested and relating to the contribution or the **transfer amount**.

4.8.2 Allocating units

- Subject to section 4.9 and the provisions set out in this paragraph, you can choose the **investment funds** and the proportion of contributions or **transfer amounts** for investing in each **investment fund**.
- All **regular contributions** and all **allotted units** relating to **regular contributions** must be invested, at any given time, in one **investment fund** or in the same combination of **investment funds**.
- We may require minimum amounts for investment in or transfer from any **investment fund**. You can get details from our website or ask us to confirm the current minimum levels.
- You can ask us to change the investment selection for your **policy**. See section 7 for more information on changing investments.

4.8.3 Changing your pension date

We, or the fund manager, may fix the **unit price** by reference to your **pension date**. Where you ask us to alter your **pension date**, and we agree, we may calculate the **unit price** as if your revised **pension date** had been the **pension date** that applied at the **starting date**.

4.9 Investing contributions

You may choose the **investment funds** to be used and the proportion of contributions and **transfer amounts** to be invested in each **investment fund** from the **starting date** of your **policy**.

Alternatively, your **GPP employer** (normally on advice from the **scheme adviser**) may confirm a default investment strategy or a default fund to apply to your **policy**.

In any event, we will confirm the **investment funds** applying for contributions and **transfer amounts** in your **policy schedule(s)** or in other material that we send to you. (There is more information on the operation of **investment funds** available for your **policy** in section 5.)

4.9.1 Default investment strategy or a default fund

If a default investment strategy or a default fund applies for your **policy**, we will confirm this in your **policy schedule**, and the following applies.

- a. All contributions and **transfer amounts** will be automatically invested in the default investment strategy or in the default fund.
- b. You may instead choose the **investment funds** to be used and the proportion of contributions and **transfer amounts** to be invested in each **investment fund**. However, if your **GPP employer** auto-enrolled you in the **GPP** (as described in section 4.1.b) you cannot change **investment fund(s)** until after you have this booklet and your **policy schedule**.
- c. Additional provisions relating to the operation of the default investment strategy are set out in section 4.9.2.

4.9.2 Default investment strategy

- a. If your **GPP employer** arranged for you to be auto-enrolled in the **GPP** (as described in section 4.1.b) we will treat you as a 'default fund investor'. While you are a default fund investor:
 - you will not be required to make any investment choices, and **regular contributions** and any **transfer amounts** will be invested following the default investment strategy; and
 - if/when your **GPP employer** or **scheme adviser** confirms any change to the default investment strategy, the change will be applied automatically to your **policy**. You will get details of the change at the time.
- b. If you give us a specific investment instruction for any **single contribution** or **transfer amount**, or to change any existing investment, you will no longer be treated as a default fund investor.

4.9.3 No default investment strategy or default fund

When you choose the **investment funds** to apply for your **policy**, you must make a clear and complete selection of the **investment funds** and the proportion to be invested in each.

If we accept that you have made a clear selection, we will apply the contributions and **transfer amounts**, in accordance with your instructions.

If we consider that you have not made a clear selection, we will confirm this to you and apply the terms set out in our Investment fund allocation procedure.

We may update our Investment fund allocation procedure from time to time. You can get a copy of the current Investment fund allocation procedure from our website, or you can ask us for a copy. If you ask us for a copy of the Investment fund allocation procedure, we will give you the version that applies to your **policy** at that time.

4.9.4 Repayment

If we are to make a repayment of contributions (for example, because the **rules** require it), the following apply.

- a. We will cancel **allotted units** up to the value of the amount to be repaid, as set out in our Investment fund cancellation procedure (see section 4.10.2).
- b. The amount to be repaid will be the amount raised by cancelling **units** as set out above.
- c. We will then, normally, repay to your **GPP employer** unless the payment related to **member contributions** and you have already left your **GPP employer**.

4.10 Investment fund allocation procedure and Investment fund cancellation procedure

4.10.1 Investment fund allocation procedure

After we treat a contribution or **transfer amount** as paid, we will apply the payment to the relevant **investment fund(s)** as described in section 4.9. We will calculate the number of **units** of the relevant **investment funds**, to apply to your **policy** in accordance with our current Investment fund allocation procedure.

4.10.2 Investment fund cancellation procedure

Our Investment fund cancellation procedure is our guide that sets out the procedure we use for making payments when benefits are to be taken or transferred from your **policy**.

4.11 Arrangements

- a. Unless we tell you otherwise, your **policy** will be set up as one arrangement.
- b. Where you ask for a transfer from the **scheme** of just part of your **policy**, we may agree to split the arrangement in two. The first will cover the amount that you want transferred out of your **policy**. The remainder of your **policy** will be a second arrangement. Any such amendment will have effect from immediately before the time when the transfer payment is to be made. Our payment of the transfer will be evidence that the arrangement has been altered as outlined above.

4.12 'Parts' of regular contributions

If your **policy schedule** does not refer to parts, your **regular contributions** have not been classified this way.

If your **policy schedule** does refer to 'parts', the following will apply.

A part is identified by referring to the first application or **GPP employer** confirmation to pay **regular contributions**. The first application or **GPP employer** confirmation will describe the amount and term over which those **regular contributions** will be paid. All payments of **regular contributions** up to and including the amount noted in that application or **GPP employer** confirmation will be considered as a part of a **regular contribution**. The amount here and in the rest of this section includes any increase that may apply under 4.1.

A later application or **GPP employer** confirmation may set out details of further amounts of **regular contributions** which will be made. Any payment of **regular contribution** which is an amount more than the amount under the previous part will be considered to be another part.

We will number each part in ascending order. The first part will be 'part 1', and subsequent parts being numbered as 2, 3, and so on.

If the amount paid as an instalment of **regular contribution** is less than the amount expected, we will apply the reduced amount to the lowest numbered part first and from then on to the next lowest numbered part and so on. In doing so, we will take account of any increases that have been applied to a part as set out above in this section.

4.13 Deemed creation, cancellation and allocation of units

We do not actually have to create or cancel any **units** of any **investment fund**, or to allocate any **units** to your **policy**. Instead, we may deem these **units** as having been created, cancelled or allocated. This is for accounting purposes on our computer systems.

The **unit price** of these deemed **units** will be the same as the **unit price** of the actual **units** at the relevant times. Where we refer to the creation, cancellation or allocation of any **units**, this includes the deemed (or notional) creation, cancellation or allocation of these **units**.

5. The investment funds

5.1 The **investment funds** will consist of any **investment funds** that we agree are available to your **policy**. If you want to see a description of the **investment funds**, you can get one from our head office or from our website.

5.2 Some information on how we operate the **investment funds** is set out in sections 5.3 to 5.8. Additional terms apply to certain **investment funds**. These are described in our description of the **investment funds** mentioned in section 5.1.

There is some information on the **with-profits funds** in section 5.7.

5.3 Our powers relating to the investment funds

Regardless of the name and description of each of the **investment funds**, and where UK law allows, we have certain powers including:

- a. buy and hold, for the **investment funds**, investments and assets of any kind;
- b. borrow money for any of the **investment funds**; and
- c. use as security any asset of the **investment funds**.

5.4 Closing and winding up an investment fund

5.4.1 a. During the lifetime of your **policy** we may need to close, wind up or remove **investment funds** for a variety of reasons. When we decide to close, wind up or remove an **investment fund**, we will act reasonably and take account of all our policyholders' interests. The reasons for closing, winding up or removing an **investment fund** may include but are not limited to:

- the manager of the underlying investment fund tells us that the underlying investment fund is to close;
- it is no longer cost effective to keep the **investment fund** open;
- we consider that for **investment funds** of a small size the total cost of the **investment fund** is too high for policyholders;
- we are told about a change in management approach or corporate strategy by the manager, or a change in manager of the underlying investment fund that

we reasonably believe may impact on the ability to manage the underlying investment fund in accordance with our objective;

- we think that the **investment fund** may not be able to meet its objectives in future;
 - responding to underlying investment fund manager changes;
 - operational constraints such as a failure to meet minimum **investment fund** size or change to operational complexity; and
 - **investment funds** may close, merge or change as a result of our commercial or strategic decisions.
- b. For the purposes of this condition an underlying investment fund means an external investment fund in which our **investment fund** is invested.

5.4.2 Closing an investment fund

- a. We have the right to close an **investment fund**. If you hold **units** in that **investment fund**, we will normally give you at least 60 days' notice that we are going to do this. However, where the underlying reason for closing the **investment fund** is outside of our control and means that we are unable to give you this amount of notice, we will tell you as soon as reasonably practicable.
- b. We will not issue any further **units** in an **investment fund** that is closed but it will continue to exist until it is wound up or the last of its **units** is cancelled.
- c. Until we wind up an **investment fund** that is closed, or the last of its **units** is cancelled, we may re-open that **investment fund**. If you hold **units** in that **investment fund**, we will tell you that we have done this.

5.4.3 Winding up an investment fund

- a. We have the right to wind up an **investment fund**. If you hold **units** in that **investment fund**, we will give you at least 60 days' notice that we are going to do this. However, where the underlying reason for closing the **investment fund** is

outside of our control and means that we are unable to give you this amount of notice, we will tell you as soon as reasonably practicable.

- b. When we are in the process of winding up an **investment fund**, we will either:
 - sell the assets of the **investment fund**; or
 - transfer the assets of the **investment fund** to another **investment fund(s)** for an amount equal to a fair market value that we reasonably believe we could sell them for, less any actual or estimated liabilities and expenses.
- c. When we have either sold or transferred all of the assets, we will cancel all of the **units** in that **investment fund**. Before we cancel the **units**, we will calculate the value of all **units** that remain in that **investment fund**. We will do this by taking the total amount from the sale or transfer and deducting an amount we estimate covers all outstanding liabilities and expenses. This will give the wound-up **investment fund** value. We will then wind up the **investment fund**.
- d. Your share of the wound-up **investment fund** value will equal the number of **units** held by you immediately before the **investment fund** is wound up, divided by the total number of **units** in that **investment fund** at that time. We will apply your share of the wound-up **investment fund** value (which will be a percentage of the wound-up **investment fund** value) to allot **units** in other **investment funds** to your **policy** at the **unit price** of those **investment funds**. We will do this in accordance with your instructions. If you do not give us any instructions before the **investment fund** is wound up, we will allot **units** in the **investment funds** we set out in the notice telling you that we are going to wind up the **investment fund**.

5.4.4 Removing an investment fund from your policy

- a. You have a range of **investment funds** available under your **policy**. We can remove an **investment fund** from those available to you under your **policy**. We can do this in the same circumstances as detailed in 5.4.1a above. In addition, some of the **investment funds** we provide are only available in certain circumstances including but not limited to through certain advisers, consultants or other agreements we may have entered into. Where those circumstances change, those **investment funds** may no longer be available under your **policy** and this condition will apply.
- b. Where an **investment fund** is removed from the **investment funds** available under your **policy**, we will give you the same notice as detailed in 5.4.3a above. We will sell your **units** in that **investment fund** and allot the value of those **units** to other **investment funds** available to your **policy** at the **unit price** of those other **investment funds**. We will do this in accordance with your instructions. If you do not give us any instructions before the **investment fund** is removed, we will allot **units** in the **investment funds** we set out in the notice telling you that we are going to remove the **investment fund**.

5.4.5 Regular contributions

If your **regular contributions** were purchasing **units** in an **investment fund** that we close, wind up or remove from your **policy**, we will purchase **units** in other **investment funds** in accordance with your instructions. If you do not give us instructions before the **investment fund** is closed, wound up or removed, we will purchase **units** with your **regular contributions** in the **investment funds** we set out in the notice telling you that we are going to close, wind up or remove the **investment fund**.

5.4.6 Alternative investment funds

Any alternative **investment fund** that we nominate under 5.4.3d, 5.4.4b, and 5.4.5 above will be an **investment fund** that we consider closely reflects the make-up of the **investment fund** that is closed, wound up, or removed. We are not responsible for the new **investment fund** and are not liable for its performance or suitability. If you do not want to be invested in the alternative **investment fund** chosen by us, then you must give us alternative instructions as detailed in 5.4.3d, 5.3.4b, and 5.4.5 above or change your **investment fund** after the action mentioned in those conditions has taken place.

5.5 Rights in respect of assets of investment funds

We will hold the assets that make up any **investment fund** and any rights relating to them. You and other policyholders have no right to the assets that make up any **investment fund**.

5.6 Ownership of the investment funds

The **investment funds** and the assets that make up these **investment funds** are our absolute property. All assets are or will be registered accordingly. We are not a trustee for you.

The following section 5.7, covering **with-profits funds**, does not apply if your policy is coded GPP V15, GSH V12A or GSH V10A.

5.7 With-profits funds

5.7.1 The sections that apply to the **with-profits funds** are set out below.

5.7.2 The **with-profits funds** are not considered to be **investment funds** for the purposes of sections 5.2 to 5.6 relating to the valuing of assets in an **investment fund**.

5.7.3 Expected growth rate

- a. When the **with-profits funds** started, we announced expected growth rates, or EGRs, for each of these **with-profits funds**. Those EGRs were the expected long-term rates of growth in a **unit** (either yearly or daily, as appropriate) in each of the **with-profits funds** before taking off the fund management charges under section 15.3.

- b. We may change the EGR at any time. We will always act in good faith when we do this. The new EGR will then apply until we announce a change to it.
- c. We include details of EGRs in our guide Principles and Practices of Financial Management (PPFM). You can get a copy of the PPFM from our website or you can ask us for a copy.

5.7.4 Unit price

- a. Sections 6.2 to 6.5 will not apply to the **with-profits funds**. Sections 5.7.4 and 5.7.5 will apply in their place.
- b. We will work out the **unit price** on each **business day**. We will base this on the **smoothed value** of the **with-profits fund** divided by the number of **units** then in issue. We will then adjust this figure to take into account a proportion of any smoothing profits or losses in the **with-profits funds** that have happened because of cancellation of **units** in the **with-profits funds**.
- c. The **smoothed values** of the **with-profits funds** may be different from the actual value of the assets underlying the **with-profits funds**.
- d. We include details of how we work out the **unit price** for the **with-profits funds** in our guide Principles and Practices of Financial Management (PPFM).

5.7.5 Smoothing adjustments

When a **unit** of a **with-profits fund** is cancelled, we may apply a **smoothing adjustment**. We include details of how we work out **smoothing adjustments** for the **with-profits funds** in our guide Principles and Practices of Financial Management (PPFM).

5.8 Lifestyle funds

The **investment funds** may include funds that we call 'lifestyle funds'. A Lifestyle fund uses a two-stage investment strategy. In the early years, they're designed to grow your pension fund. In the second stage, during the last few years before you retire, these funds are designed to automatically change your mix of investments as you approach retirement.

- 5.8.1 a. Your **pension date** (being your expected retirement date) is taken into account for the purposes of a lifestyle fund. That expected date may change (for example, a decision to retire early or late, or you ask us to change your **pension date** before it arises). When the expected date is to change, we will not automatically change the date for the purposes of the lifestyle fund. Subject to the other provisions on lifestyle funds, we will make the change from the date we receive such an instruction in writing by you, but we will not apply the change retrospectively.
- b. We may add new lifestyle funds to the **investment funds** available for your **policy**. You can ask us for details of such lifestyle fund or get the details from our website.

- 5.8.2 a. With effect from 00.01 hours on the 1st of January immediately after your **pension date**, we will cash in **allotted units** in any lifestyle fund and allocate the value to the Retirement fund. If we no longer operate the Retirement fund, or consider that this is no longer appropriate for this purpose, we will allocate to another **investment fund**, but only after we give you advance notice of the change (as set out in section 3). In any event you may give us instructions (see section 7) that all or some of those **allotted units** are to be switched into one or more **investment funds** (excluding any lifestyle fund).
- b. Unless we agree otherwise, no lifestyle fund is available for investment after the **pension date** except:
- the Retirement fund; and
 - until the 1st January immediately following **pension date**, the lifestyle fund which had **allotted units** at **pension date**.

5.9 The following applies only if your policy includes GSIPP in the code and was issued before April 2013.

5.9.1 This section 5.9.1 sets out the terms that applied before April 2013 if you asked us to cash in **allotted units** under your policy, and for the value to be invested in other assets under the Scottish Equitable Self-administered Personal Pension Scheme (as self-invested assets).

In any event, for those to whom this section applied:

- a. terms set out elsewhere in your policy relating to cashing in **units** (for example, the application of a **smoothing adjustment**) would also have applied
- b. when we accepted that you had made a valid request, we would have decided reasonably:
- if the **units** to be cashed in resulted only from **regular contributions**; or
 - if they resulted from more than regular contributions (that is from **regular contributions**, **single contributions** and **transfer amounts**); and
 - if we paid commission or any kind of fee for advice and services that the **scheme adviser** or your financial adviser gave relating to your **policy** in respect of each type of contribution and/or **transfer amount** which resulted in the units to be cashed in.

We would have fixed the terms that we would have applied for cashing in **allotted units** from the result of the decisions in b above, including any minimum amounts that could have been cashed in and any minimum that had to be left in your policy after the cash in.

5.9.2 Where we accepted that you, the **scheme adviser**, your financial adviser, or your **GPP employer** had set out that a **single contribution** and/or a **transfer amount** was to be treated as a 'wash through', the following would have applied to that wash through.

The whole of the **single contribution** or **transfer amount** would have been invested in the Series B Cash Fund (provided that if the Series B Cash fund

was closed or wound up we would have decided what other **investment fund** was to be used instead). You could not have switched any **units** set up from a wash through into any other **investment fund**.

Following the wash through being applied to your **policy**, the **allotted units** from the wash through would have been cashed in and the amount raised would have been applied elsewhere under the Scottish Equitable Self-administered Personal Pension Scheme (as self-invested assets).

6. Valuing investment funds and working out unit prices

6.1 Creating and cancelling units

When we add cash or any other asset to an **investment fund**, we will create **units** in it equal to the value of the cash or those other assets. When we cancel **units** from an **investment fund** we will take from it cash or other assets equal to the value of **units** cancelled.

6.2 Valuing assets in an investment fund

6.2.1 We will normally carry out a valuation of the assets in an **investment fund** at least once on each **business day**.

We value certain assets within an **investment fund** less often than once each **business day** because daily valuations may not be available for these assets. Such assets include property (for example, land, buildings and leaseholds), derivatives and securities that are not quoted on a recognised Stock Exchange.

A derivative is typically a right or an obligation to buy or sell another type of asset – such as a share or bond – at a set price from or to someone else at a set date and time in the future. The set price may turn out to be higher or lower than the market price at that date. The most common types of derivatives are futures and options. Securities include stock, shares and bonds. We will value any such assets at least once a month.

6.2.2 There may be circumstances beyond our control that stop us from valuing assets on any particular **business day**.

6.2.3 Where we do not or cannot value an asset in an **investment fund** at least once on a **business day**, we will estimate the value of that asset on that particular **business day**. We will take into account changes in the market, any current restrictions or difficulties in trading in such assets and any other circumstance that might affect a valuation. We will always act fairly when we are estimating the value of an asset under this section.

6.2.4 When, in our opinion, an **investment fund** is expanding, we will value the assets of that **investment fund** at the market price at which we estimate its assets may be bought, including the liabilities and expenses. If the actual liabilities and expenses have not been confirmed, we will estimate the liabilities and expenses of buying those assets. An **investment fund** is expanding when the normal position of that **investment fund** is that more **units** were being bought than sold in that **investment fund**.

6.2.5 When, in our opinion, an **investment fund** is contracting, we will value the assets of that **investment fund** at the market price at which we estimate its assets may be sold, less the liabilities and expenses. If the actual liabilities and expenses have not been confirmed, we will estimate the liabilities and expenses of selling those assets. An **investment fund** is contracting when the normal position of that **investment fund** is that more **units** were being sold than bought in that **investment fund**.

6.2.6 For sections 6.2.4 and 6.2.5, our estimate of the liabilities and expenses of any purchase or sale will be an amount that we believe we would have incurred in buying or selling the asset at the date of the valuation.

6.2.7 The **investment fund** may change from expanding to contracting, or from contracting to expanding. Where it changes, we can change the basis on which we value the assets as described in 6.2.4 and 6.2.5. This is to make sure we

give fair treatment to:

- a. buyers of **units**;
- b. sellers of **units**; and
- c. policyholders who remain invested in that **investment fund**.

6.3 When and how we value an investment fund

We will value an **investment fund** on each **business day**. We will do this by:

- adding up the value of its assets as calculated in section 6.2; and
- deducting the fund management charge (see section 15.3) and actual and estimated liabilities and expenses for administration of the **investment fund** (excluding the liabilities and expenses of buying and selling assets mentioned in sections 6.2.4 and 6.2.5).

6.4 Calculating unit prices

We apply **units**, and cancel **units** from each **investment fund** at the relevant **unit price**. We calculate the **unit price** by dividing the value of an **investment fund** by the number of **units** of that **investment fund** then in issue. We will round the result down or up, in the way that we consider is appropriate, by not more than 0.01p.

6.5 Exceptional circumstances

6.5.1 Exceptional circumstances can affect the valuation of assets in an **investment fund** and the pricing of **units**. Examples of exceptional circumstances include extreme volatility of market prices around a significant global or national event such as:

- a major terrorist attack;
- a major political event, for example a coup affecting a strategic market; or
- a major exchange event.

6.5.2 We do not know what action we will take in any such situation, as this will depend on the situation itself and its effect on the valuation of assets and pricing of **units**. Our actions will always be reasonable and proportionate to the circumstances. Examples of actions that we may take include:

- the suspension of creation and/or cancellation of **units** in any **investment fund**;
- the suspension of pricing of any **investment fund**; or
- applying indexation in estimating the

value of any **investment fund**.

This means we work out how much an **investment fund**'s value will have changed. We will apply an amount that represents the proportionate change in the **RPI** for the period between:

- the date when we were last able to get a value for the **investment fund**; and
- the date when we are estimating the value of the **investment fund**; or on moving away from a stated investment strategy of any **investment fund**.

7. Switching investments

7.1 You can tell us to cancel some or all of the **allotted units** in any **investment fund**, and to allocate, in their place, **units** in any of the other **investment funds** that are available to your **policy** (a 'switch instruction'). If you choose to do this, sections 7.2 to 7.9 will apply.

7.2 Subject to the following paragraph, your switch instruction must be in writing, in terms of section 17.

7.3 You may give us a switch instruction by telephone if we tell you this facility is available. Your switch instruction by telephone must meet the conditions that we set out for you at the time when you are giving us your switch instruction. You can get more information on this from our website.

7.4 If your **policy** includes 'V9' or a lower number as part of the **policy code**, we will act on your switch instruction (subject to the provisions set out in this section 7 and section 15.2.3).

If your **policy** includes 'V10' or a higher number as part of the **policy code**, we will act on the first 20 switch instructions that you give us in each **policy year** (subject to the provisions set out in this section 7). We do not need to accept and act upon any further switch instruction received during that **policy year**. We will tell you where we do not accept and do not act upon any such switch instruction.

7.5 We will cancel and allocate **units** at the relevant **unit prices** as set out in our Investment fund allocation and cancellation procedures (see section 4.10.2).

Where a **smoothing adjustment** applies to the **units** in the **with-profits funds**, the number of **units** being cancelled to provide for the

switch will either be reduced or increased, as appropriate, to reflect the amount of the **smoothing adjustment**.

- 7.6 Where you send us your switch instruction by ordinary post (for example, by Royal Mail), if we receive it on a **business day**, we will treat it as having been received before noon on that day. If we receive it on a day that is not a **business day**, we will treat it as having been received on the next **business day**.
- 7.7 The value of the **units**, at **unit price**, in each **investment fund** where you hold **units** after you complete a switch must be at least £200. The total value of **units** you ask us to cancel must be a minimum of £1,000.
- 7.8 The value of **units** you ask us to allocate to an **investment fund** must be at least £200.
- 7.9 We can change the limits in sections 7.7 and 7.8 by an amount that represents the proportionate change in **RPI** for the period between 1 January 2013 and the date when the change is applied. We may not always change the limit by the full allowable amount.

8. Liabilities and expenses of the investment funds

From time to time, we will pay the following liabilities and expenses from each of the **investment funds**:

- a. the expenses, taxes, duties and other charges that apply in buying, valuing and selling the assets of the **investment funds**;
- b. the expenses and fees of third parties engaged in the assessment of the asset allocation and management of the assets of the **investment funds**;
- c. tax payable on, or by reference to, the assets and income of the **investment funds** or transactions relating to them, whether incurred or assessed in the UK or elsewhere;
- d. any payment or other liability in respect of money borrowed or raised for the account of the **investment funds**; and
- e. any expenses, taxes, duties, levies or other charges in connection with the **investment funds** and not previously taken into account.

9. Deferring the cancellation of units

- 9.1 When you tell us to cancel **units** in an **investment fund** to:
- switch into **units** of another **investment fund**;
 - make any payment out of the **investment fund** or your **policy**; or
 - cash-in all or part of your **policy**
- we may have to sell underlying assets of the **investment fund**.
- 9.2 Where this happens, we may have to delay cancelling **units** as follows:
- 9.2.1 where the **units** are **units** in an **investment fund** invested completely or partly in real or heritable property, for example, land, buildings and leaseholds, we may delay the cancellation of **units** for up to 12 months (If the **starting date** of your **policy** is before 1st January 2013, different rules may apply, as set out in the policy booklet that we sent you shortly after you joined the **GPP**.)
- 9.2.2 where the **units** are **units** in any other **investment fund**, we may delay cancelling **units** for up to one month.
- 9.3 We can delay cancelling **units** where:
- 9.3.1 there is not enough cash in the **investment fund** to pay for your switch or payment out of the **investment fund**
- 9.3.2 we consider that there is unlikely to be enough cash in the **investment fund** to pay for expected future switches and payments out of that **investment fund**. (We will base our consideration of this on current and expected trends for switches and payments out of that **investment fund**.)
- 9.3.3 we consider that the effect of an immediate sale of assets of the **investment fund** needed to pay for switches and payments out of that **investment fund** may result in us getting lower prices for the sale of those assets than if a sale had taken place in a normal timescale for the sale of such assets
- 9.3.4 for reasons that we cannot control, we cannot carry out a sale of assets of the **investment fund** required to pay for the switches and payments out of that **investment fund**
- 9.3.5 other holders of **units** of the **investment fund** may be treated unfairly unless the delay applies, and

- 9.3.6 the volume of switches and payments out requested by holders of **units** in an **investment fund** is such that we cannot process the requests on the normal basis set out in our Investment fund allocation procedure or in our Investment fund cancellation procedure leaflet (see sections 4.10 and 4.10.2).
- 9.4 When we do cancel **units**, where we previously delayed cancellation as described in section 9.3, the **unit price** will be the **unit price** at the first valuation of the **investment fund** after the end of the delayed period.
- 9.5 **Customised lifestyle**
If a customised lifestyle arrangement applies to your policy, we will confirm this in your policy schedule.
- a. A 'customised lifestyle' arrangement does not result in a lifestyle fund as described in section 5.8.
 - b. The initial customised lifestyle arrangement which may apply will be set out by the **GPP employer**, normally on the advice of the **scheme adviser**.
 - c. No customised lifestyle arrangement will apply where, in our opinion, we do not have administration processes and systems able properly, and without alteration, to cope with what is needed for that customised lifestyle arrangement.
 - d. The **GPP employer** may (usually on advice from the **scheme adviser**) set out in writing, from time to time, a replacement customised lifestyle arrangement. When we accept a written instruction setting out a replacement customised lifestyle arrangement, the following applies. For these purposes, the date of receipt of the replacement customised lifestyle is called the 'change date'. We may rely on the **GPP employer** to tell you about the change to the customised lifestyle arrangement.
 - From on and after the change date, the old customised lifestyle arrangement does not apply. Any contributions received on and after the change date will be applied to **investment funds** in accordance with the instruction applying immediately before the change date under the old customised lifestyle arrangement. That will not change except as set out below.
- You may agree with us that the replacement customised lifestyle arrangement is to apply for your **policy**, and that agreement will set out also when the new arrangement is to apply.
 - You may use the switch of **investment funds** facility set out in section 7.
- e. You may tell us (normally in writing, but in a way that is acceptable to us) that the current customised lifestyle arrangement is to apply to your **policy**. This will then apply, but from no earlier than the date when we get an instruction acceptable to us.
 - f. At any one time, only one customised lifestyle arrangement may apply for your **policy**. If we think there is any doubt about what arrangement applies, we will confirm which arrangement applies and from when.
 - g. If an **investment fund** is wound up or closed as set out in section 5.4, and that fund was part of the current customised lifestyle arrangement, the following will apply. We will ask your **GPP employer** or the **scheme adviser** to set out a replacement fund or funds. When that happens, the replacement(s) apply from the date that we get a written instruction to use them. This will not result in a replacement customised lifestyle arrangement, merely replacement fund or funds under the customised lifestyle arrangement. Where your **GPP employer** or the **scheme adviser** do not confirm replacements as set out above, we will choose a Cash fund to replace the wound up or closed fund, unless and until your **GPP employer, scheme adviser** or you give a valid instruction to the contrary.
 - h. If you ask us to change your **pension date** while a customised lifestyle arrangement applies to your **policy**, we will adjust the provisions of the customised lifestyle arrangement to reflect your new **pension date**. We will do this as soon as practicable after we agree to the change in your **pension date**. This will not result in a replacement customised lifestyle arrangement, merely the use of the replacement **pension date** in the operation of the customised lifestyle arrangement.

- i. You may opt out of a customised lifestyle arrangement. If you decide to do this, you must confirm your instruction, in writing, to us. Opting out of the customised lifestyle will not apply before we get an acceptable instruction.
For this purpose, we will take an instruction you give us to switch **investment funds** under the facility set out earlier in section 7 as an instruction to opt out of a customised lifestyle arrangement.
- j. If you give us an instruction to change investments (as described in section 7) out of a customised lifestyle arrangement, you may opt back again to a customised lifestyle arrangement if one still applies for your **GPP**. If you do want to opt back in again to a customised lifestyle, you must give us a written request to do this (in a form that we accept).
- k. The provisions for switching, as set out in section 7, also apply to any switch of **units** under a customised lifestyle arrangement. For these purposes, the date when you reach an applicable age for automatic switches will be taken as the date we accept a switch instruction.

10. Death before taking benefits

10.1 Return of fund

If the starting date of your policy is before 1st January 2013, different rules may apply, as set out in the policy booklet that we sent you shortly after you joined the GPP.

Your policy may also include life assurance benefit, as set out in your policy schedule.

- 10.1.1 The benefits available where you die before taking all benefits from your **policy** are known as the 'death benefit'. They comprise value of the **units** remaining under your **policy**, cancelled in accordance with our Investment fund cancellation procedure (see section 4.10.2).

When we cash in the **allotted units**, we will move the value to a Cash fund (which will be a fund that we choose for this purpose) until we pay it out. This is the 'return of fund'.

- 10.1.2 The death benefit will be payable as set out in section 10.3.

10.2 Accidental death benefit

We will pay accidental death benefit if the conditions set out in this section 10.2 apply and your **policy**:

- is coded GPP V15 and has a starting date before 6th April 2020; or
- has a starting date on or after 1st January 2013 and before 6th April 2020

and, subject to section 10.2.2, you die before the fifth anniversary of the **starting date** of your **policy**.

Where accidental death benefit applies, we will pay the accidental death benefit in addition to the return of fund described in section 10.1.

- 10.2.1 The amount of this accidental death benefit is set out in section 10.2.3.

- 10.2.2 Where, on the **starting date**, you have less than five years until your **pension date**, accidental death benefit cover will stop on the earlier of:

- a. the day on which all remaining **allotted units** under the **policy** are cancelled; and
- b. your **pension date**. If you subsequently choose a later **pension date**, cover for accidental death benefit will still stop on the **pension date** that applies on the **starting date**.

- 10.2.3 The terms that apply to the accidental death benefit are as follows:

- a. The amount of accidental death benefit we will pay is 10% of the total of:
 - **regular contributions**;
 - **single contributions**;
 - **transfer amounts**; and
 - any **regular contributions** and **single contributions** paid by an insurer as described in section 4.4)

from the **starting date** to the day immediately before the date of your death. To avoid any doubt, a payment to the **policy** from any self-invested element is not a **regular contribution**, **single contribution** or **transfer amount** for the purposes of calculating accidental death benefit.

- b. The accidental death benefit shall be paid as set out in section 10.3.
 - c. In good faith, we consider that the cause of your death is an accidental death, that is:
 - i. death within the 72 hours following an accidental bodily injury, resulting solely and independently from causes not related to (or contributed to) by any illness, disease or physical disorder that you were aware of at the **starting date** and
 - ii. which did not arise directly or indirectly from any of the following causes listed below.
 - An accidental bodily injury that occurred before the **starting date**.
 - Alcohol or drug abuse: we will not pay an accidental death benefit if your death results from or is directly related to alcohol or drug abuse.
 - Flying (other than as a passenger in a commercially licensed aircraft): we will not pay an accidental death benefit if your death occurs while taking part in any flying activity other than as a passenger in a commercially licensed craft.
 - Participating in a hazardous sport or pastime: for example, we will not pay accidental death benefit if your death occurs while taking part in (or practising for) boxing, caving, climbing, horse-racing, jet skiing, martial arts, mountaineering, off-piste skiing, pot-holing, powerboat racing, underwater diving, yacht racing or any race, trial or timed motor sport.
 - A self-inflicted injury: we will not pay accidental death benefit if your death occurs as a result of intentional self-inflicted injury.
 - Any action you take without giving proper consideration to your own safety.
 - Criminal activity: we will not pay accidental death benefit if your death is as a result of your participation in criminal activity.
 - Suicide: we will not pay accidental death benefit if your death is as a result of your own actions (whether or not at the time of such action you were sane or insane).
 - War and civil commotion: we will not pay accidental death benefit if your death results from any of the following: war, invasion, hostilities (whether war is declared or not), civil war, rebellion, revolution or taking part in a riot or civil commotion.
- d. We receive the evidence and information concerning the circumstances of your death as we ask for in terms of section 19.

10.3 Payment of death benefits

- a. The death benefits will be paid as allowed by the **rules**.
- b. Where the recipient wants an annuity to be secured with us, he or she will need to set out in writing the annuity provisions they want. If we are willing to provide such an annuity, we will calculate and quote a purchase price. If the recipient accepts our quotation in writing, then the annuity will be established. If the recipient wants an annuity with another insurer, the recipient must arrange with the insurer to set up a contract to provide the annuity. We will then arrange for the amount of death benefit that will be used to obtain the annuity to be paid to the other insurer.

11. Transfer

- 11.1 You may be able to arrange a transfer of all or part of your benefits under the **GPP** to another pension arrangement. (Transferring part of your **GPP** is only possible if we agree that our administration system can support this.) If a transfer is to take place, you must give us:
 - written details of the benefits you wish to be transferred;
 - the receiving pension arrangement; and
 - any other information that we reasonably

need before we make the transfer.

- 11.2 We will cash in the amount to be transferred by cancelling **allotted units** at the **unit price** taking into account any **smoothing adjustment** and in accordance with Investment fund cancellation procedure (see section 4.10.2) applying when you ask for a transfer. The resulting amount will be the transfer payment.
- 11.3 We will only pay a transfer where it is allowed in the **rules**.

12. Taking benefits/retirement

- 12.1 Your **pension date** is set out in your **policy schedule**. Where no specific date is shown in your **policy schedule**, your **pension date** will be your 65th birthday.
- HMRC** rules restrict how you can take benefits and when you can start taking them, but subject to **HMRC** rules, you can choose when to start taking retirement benefits from your **policy**.
- 12.2 The date you start taking benefits from your **policy** is a **pension starting date**.
- You can also choose to take benefits in stages, in which case you will have a **pension starting date** for each part of your **policy** you use to start retirement benefits.
- 12.3 Where you ask us to take benefits, you must provide us with notice of your intention to take benefits, in writing.
- 12.4 Where you chose to take part of your **policy** and we value the amount that would be left in your **policy** at less than £250, you must take all of the benefits from your **policy**.
- 12.5 The **rules** may set out the latest age by which you must take retirement benefits (for example, when you reach age 75). If this applies for your **policy**, but you have not asked us to take benefits, or confirmed how you want to take benefits, we may cash in your **policy** even though you have not confirmed your requirements. We would then use the proceeds of your **policy** to provide pension income for you, from a pension provider that we choose (including from a company within the Aegon Group). The pension would also be in a format that we choose, and you would not be able to change this once the pension has been set up. It is, therefore, in your interests to arrange to take your retirement benefits on or before the latest date that we tell you applies for your **policy**.

- 12.6 We will work out the amount to be applied for retirement benefits at your **pension starting date** by cancelling **allotted units** at the fund price in accordance with the Investment fund cancellation procedure (see section 4.10.2) applying when you ask us to take benefits, and allowing for any **smoothing adjustment**. The resulting amount will be the sum available to provide retirement benefits.

Loyalty bonus

If your **policy** is coded PP2 to PP9 (inclusive), PPV7A, PPV7B, PP8A and PP8B, we may also add a loyalty bonus to the amount to be applied for retirement benefits. Where we do apply a loyalty bonus, we will calculate this using the loyalty bonus calculation process that we may apply from time to time. You can ask us for a copy of the process that we are currently applying or get a copy from our website.

- 12.7 The retirement benefits to be paid and all the details concerning payment must be allowed by the **rules**.
- 12.8 a. Where you decide to buy the annuity with us, you must provide us with written notice of the type of annuity you want. Where we can provide such an annuity, we will then calculate and quote a purchase price. If you accept that quotation in writing, the annuity will be set up under the **policy**, or by a separate policy where we decide this is appropriate.
- b. If you want to buy the annuity from another insurer, you must arrange with the insurer for a contract or policy to be set up to provide the annuity. We will then arrange for the amount of premium to be supplied from your **policy** and paid to the insurer.

13. Fund adjuster

This section does not apply unless your policy schedule states that a fund adjuster applies.

- 13.1 We will set out in your **policy schedule** when a fund adjuster applies to a **regular contribution**, **single contribution** or **transfer amount** (the 'relevant contribution').
- We will also set out in your **policy schedule** the percentage rate of fund adjuster that is to apply in respect of the relevant contribution and how long this is to apply.
- 13.2 The percentage rate of fund adjuster can be either positive or negative.

13.3 For the purposes of calculating the fund adjuster to be applied, the remaining **units** relating to that relevant contribution will be called the 'adjuster fund'.

13.4 Subject to the details set out in sections 13.5 or 13.6, we will apply the fund adjuster each month, on the 'fund adjuster payment date'.

The fund adjuster payment date will be the same day of the month as the **starting date**, or, where the **starting date** is after the 28th day of the month, the last day of the month.

The first fund adjuster payment date for a relevant contribution will be the fund adjuster payment date on or immediately after the date we apply the relevant contribution to your **policy**.

13.5 Positive fund adjuster

A positive fund adjuster reduces the effect of the fund management charge (see section 15.3).

13.5.1 We will calculate each instalment of positive fund adjuster as follows:

$$P \times RF \div 12$$

Where P is the percentage rate of positive fund adjuster as set out in your **policy schedule**, taking into account any change to the percentage rate where the percentage rate is to change on a date as set out in your **policy schedule**, and

RF is the value, at **unit price** of the **units** in the adjuster fund on the fund adjuster payment date. For this purpose, the **unit price** is the price that would apply if these **units** were cancelled at that time allowing, if this applies, for any adjustment that we would then apply to reflect the **smoothed value** as described in section 5.7.4.

We will add each instalment of positive fund adjuster to your **policy** by creating **units** on the fund adjuster payment date, proportionately to each **investment fund** where you have **units** for that adjuster fund.

13.5.2 We will cancel the positive fund adjuster if, in the first 10 years after the **starting date**:

- **regular contributions** stop: this also applies if **regular contributions** stop on a temporary basis, unless you or your **GPP employer** also confirm, when

asking us for a contribution break, that **regular contributions** will be restarted within 13 months (and are actually restarted); or

- you leave the employment of the **GPP employer** or ask us to move your **policy** out of the **GPP**.

13.5.3 If, as a result of section 13.5.2:

- we remove the positive fund adjuster; and
- **regular contributions** are restarted while your **policy** is still part of the **GPP**

we will begin a new 10 year period as described in section 13.5.2. We will count this new 10 year period from the date when **regular contributions** are restored. We will give you more details at the relevant time about how we will operate this.

13.5.4 After the positive fund adjuster has applied to your **policy** continuously for 10 years, the positive fund adjuster will apply for the duration of your **policy**, even if, later, we move your **policy** out of the **GPP** or **regular contributions** stop before you take all benefits from your **policy**.

13.6 Negative fund adjuster

A negative fund adjuster increases the fund management charge (see section 15.3).

13.6.1 We will not apply a negative fund adjuster while **regular contributions** are paid to your **policy**.

13.6.2 We will apply the negative fund adjuster if, in the first 10 years after the **starting date**:

- **regular contributions** stop and you are not taking all benefits from your **policy**;
- **regular contributions** stop on a temporary basis unless you, or your **GPP employer** also confirm, when asking us for a contribution break, that **regular contributions** will be restarted within 13 months (and are actually restarted); or
- you leave the employment of the **GPP employer** and are not taking benefits as described in sections 11 or 12; or

- you ask us to move your **policy** out of the **GPP** but are not taking benefits as described in sections 11 or 12.

13.6.3 If, as a result of the application of section 13.6.2, we apply a negative fund adjuster during the time when **regular contributions** are not paid to your **policy**, we will begin a new 10 year period as described in section 13.6.2 if **regular contributions** are restarted and your **policy** is still part of the **GPP**. We will count this new 10 year period from the date when **regular contributions** are restored. We will give you more details at the relevant time about how we will operate this.

13.6.4 When a negative fund adjuster applies, we will calculate each instalment of the negative fund adjuster as follows:

$$P \times RF \div 12$$

Where P is the percentage rate of negative fund adjuster as set out in your **policy schedule**, and

RF is the value, at **unit price** of the **units** in the adjuster fund on the fund adjuster payment date. For this purpose, the **unit price** is the price that would apply if these **units** were cancelled at that time allowing, if this applies, for any adjustment that we would then apply to reflect the **smoothed value** as described in section 5.7.4.

We will take each instalment of negative fund adjuster by cancelling **units**, at **unit price** on the fund adjuster payment date, proportionately from each **investment fund** where you have **units** for that adjuster fund.

13.7 Fund price rebate

13.7.1 We will apply a fund price rebate to your **policy** if we set out in your **policy schedule** that a fund price rebate applies. A fund price rebate will not apply if fund bonus applies or has applied to your **policy**. If the fund price rebate applies, it is subject to sections 13.7.2 to 13.7.8.

13.7.2 We will apply fund price rebate on the same day of the month as the

starting date falls (the 'rebate date'). The first rebate date will be the same day in the month immediately after the **starting date**. (Where the **starting date** is after the 28th day of the month, the rebate date will be the 28th day of the month.)

13.7.3 We will calculate the value of your **policy** for a fund price rebate, on each rebate date, (the 'rebate value') as follows:

The rebate value of your **policy** will be the value, at **unit price**, of the remaining **units** on the rebate date plus or minus an amount that would equal the **smoothing adjustment** that would apply were these **units** being cancelled at that time.

13.7.4 We will fix the fund price rebate percentage to be applied, on each rebate date, using the table that we set out in your **policy schedule**.

We will identify which fund price rebate percentage tier applies based on the rebate value on each rebate date. A tier applies if the rebate value is equal to or more than the lowest amount of fund value for the tier.

13.7.5 We will calculate each instalment of fund price rebate using the formula:

$$(A \times B) \div 12$$

Where:

A is the fund price rebate percentage, and

B is the rebate value.

13.7.6 We will add the fund price rebate to your **policy** on the rebate date in the form of additional **units**. These **units** will be added proportionately across the **investment funds** that have **units** in your **policy**.

13.7.7 We will not add any fund price rebate to your **policy** when, on a rebate date, the rebate value is less than the lowest amount of fund value in the lowest-value tier of the table that we set out in your **policy schedule**, as referred to in section 13.7.4.

13.7.8 We can change the table referred to in section 13.7.4. The new table will only apply for any fund price rebate

added to your **policy** on and after the effective date of the change.

Where we change the table, we will write to you giving you at least, four weeks' notice of the change.

14. Fund value rebate

If a fund value rebate applies to your policy, we will confirm this in your policy schedule.

14.1 If a fund value rebate applies, it is subject to the following:

- The conditions for fund value rebate apply with effect from each month after the **starting date**.
- The date for each application – a 'rebate date' – will be the same date of the month as the **starting date**, or the 28th of the month if the **starting date** is the 29th, 30th or 31st day of a month (for example, the **starting date** is 25th September 2012, so the monthly date is the 25th of each month).
- On each rebate date, we will calculate the value of the **policy** as at that rebate date. This calculation will be after taking account of any deduction in respect of any fund-related charge (see section 15.4) as at the rebate date. The fund value rebate will be the value of the remaining **allotted units** calculated as if they were being cashed in with effect from that rebate date. However, those **allotted units** will not include:
 - any that you asked us to cash in (for transfer or to take benefits as set out in sections 11 and 12) before that rebate date;
 - any that we treat reasonably as having been cashed in before that rebate date (but taking account of the value excluded for any fund-related charge as set out above); and
 - any **units** added as a result of a fund adjuster will apply with effect from that same rebate date.

For that rebate date, this is the 'rebate value'.

- Where, on a rebate date, the rebate value is £50,000 or more, we will add an amount of fund value rebate to the **policy** with effect from that rebate date. The amount of this fund value rebate is one-twelfth of 0.25% of that rebate value. We add this as additional

units spread proportionately across the **investment funds** that have **allotted units** in the **policy**. (Where there is a main fund and a feeder or Cash fund related to an **investment fund**, we will create **units** in the feeder or Cash fund first.)

- Where, on a rebate date, the rebate value is less than £50,000, we will not add any fund value rebate to the **policy** on that rebate date.
- Subject to the terms set out in section 3, we may alter the figure of £50,000 and any replacement figure. Any alteration will not apply in respect of any fund value rebate that has been added before we alter the figure for the **policy**, but will apply in respect of any later additions of fund value rebates.

15. Charges

15.1 General

- 15.1.1 Your **policy schedule** confirms the charges that apply to your **policy**.
- 15.1.2 We may change the charges that apply to your **policy**. We may also introduce new charges. In fixing a new level or a new charge, we will fix a level or amount that we think is not excessive. We may change our charges as described in section 3.
- 15.1.3 If we change the level or amount of a charge, we may round the amount up to the nearest £1 sterling.
- 15.1.4 a. We can change any charge we refer to in section 15.1.1 that is set out as a fixed amount of money by an amount that represents the proportionate change in the **index** for the period between 1st January 2013 and the date when the change is applied.
 - b. We may not always change the charge by the full amount as described in sub-section a.
 - c. We will only make a change for a reason set out in section 3.
- 15.1.5 We can change the charge we refer to in section 15.1.1 that is set out as a percentage, by such an amount as we consider reasonable. We will only

make a change for a reason set out in section 3.

15.2 Fixed charges (and switch charge)

15.2.1 Standard member charge

If a member charge applies, we will confirm this in your **policy schedule**.

- The annual amount of the standard member charge will be set out in your **policy schedule** either as an annual amount or as a monthly amount. The annual amount is the monthly amount multiplied by 12.
- While **regular contributions** are being paid monthly, and all instalments are paid in full and on time, we will apply the standard member charge on the monthly **due dates** of the **regular contributions**. Each payment will be one-twelfth of the annual amount. In any other case, we will apply the standard member charge on the **starting date** and on each yearly anniversary of the **starting date**.
- Where, in a **policy year**, the standard member charge is to be applied both monthly and annually (for example, because your contributions and your **GPP employer** contributions are paid on different dates) we will ensure that the amount actually applied in that year is not greater than the annual amount for that year.

We will apply each instalment of the standard member charge as follows.

- Where an amount of contribution or **transfer amount** is made to the **policy** on the date when an instalment of standard member charge is due, we will deduct the standard member charge, as far as possible, from the contribution or **transfer amount**. We will then apply the balance of the contribution or **transfer amount** to your **policy**.
- Where any amount of standard member charge is due but not collected as set out above, the following applies.
 - We will multiply the amount not paid by the allocation rate (see section 4.8) applicable to the

contribution payable (or the most recent contribution payable).

- We will cancel **units** following our Investment fund cancellation procedure (see section 4.10.2).
- Where a standard member charge applies, this continues until you take all benefits from your **policy** (even where you cash in or transfer out part of your **policy**, for example, to take benefits as set out in section 12).

15.2.2 Plan charge/initial charge

- If a plan charge or initial charge applies, we will confirm this in your **policy schedule** and the period when this will apply.
- We will also confirm the amount of charge to be paid at each payment date in your **policy schedule**.
- We will collect the charge on each **due date** for payment of instalments of **regular contributions** during the period when the charge applies (irrespective of whether or not a **regular contribution** is actually paid).
- We may describe the charge as being paid by the fund relating to specific **regular contributions**, **single contributions** or **transfer amounts**.
- If we expected to collect any part of the charge from the fund from particular contributions or **transfer payments**, but these contributions or payments are not paid, we will collect the charge from the fund from other contributions or payments to your **policy**.
- We will cancel **allotted units**, proportionately across the **investment funds** for those **allotted units**, up to an amount equal to the amount of the instalment of the charge. We will retain the amount cashed in as payment of the instalment of charge due.
- We will collect the plan charge as at the **due date** for an instalment of **regular contribution**. We will cancel **allotted units**, proportionately across the **investment funds** for those **allotted units**, up to an amount equal to the amount of the instalment of the plan

charge. We will retain the amount cashed in as payment of the instalment of plan charge due.

15.2.3 Switch charge

Subject to section 7.4, where you ask us to apply a switch of investment, the following applies.

If your policy includes 'V10' or a higher number in the policy code, we would normally make the change without applying any charge. We do, however, reserve the right to introduce a switch charge. If we introduce a switch charge, we will give you at least three months' notice of this and the terms that we will apply to the switch charge.

If your policy includes 'V9' or a lower number in the policy code:

- we will not charge for the first switch in any **policy year**;
- we will charge £15 for each of the second to the ninth investment switch in any **policy year**; or
- where you apply for 10 or more investment switches in any **policy year**, we will apply a charge of 0.5% of the value of the **units** to be cashed in as part of your investment switch instruction, with each such charge subject to a minimum of £15.

15.2.4 Correspondence charge

Subject to section 3, and where we have to write to a third party in connection with the administration of your **policy**, we may apply a correspondence charge.

15.2.5 Increasing fixed charges

Subject to section 3, we may increase each of the fixed charges by the increase in the **index**.

We may not apply an increase every year, but, when we do increase a charge, we may take account of increases not made in previous years. If an increase is not made in one or more years, this does not mean that we will not increase the charge in later years.

Any increase in a fixed charge will normally apply from a 1st of January.

15.3 Fund management charge

15.3.1 We will take a fund management

charge from each of the **investment funds**. Unless your **policy schedule** sets out differently, we will take it daily at a rate of one 365th of a percentage of either:

- a. the value of each **investment fund** (except the **with-profits funds**) on that day; or
- b. the value of the assets underlying the **with-profits funds**.

15.3.2 You can ask us for details of the percentage that applies to any particular **investment fund** or get details from our website.

15.4 Fund charge rebate

We will set out in your **policy schedule** when a fund charge rebate will apply to a **regular contribution, single contribution or transfer amount** and when this will be applied. We will also set out the annual percentage rate for calculating the amount of the fund charge rebate that applies to that **regular contribution, single contribution or transfer amount**.

15.5 Adviser charge/consultancy charge

We will only agree to facilitate an adviser charge or a consultancy charge where we have systems in place to support this, and only if this will not breach legislation or other regulatory requirements.

An 'adviser charge' is a charge to cover a fee you agree with your financial adviser for advice that you get from the adviser.

A 'consultancy charge' is agreed between the **scheme adviser** and your **GPP employer** and payable by the policyholder (the **member**) for advice given or services provided in relation to the **GPP**. Consultancy charges cannot (by law) apply to your **policy** if your **GPP employer** is using the scheme for auto-enrolment purposes or as a qualifying scheme as described in section 4.1.b.

Where you ask us and we agree to facilitate an adviser charge and/or a consultancy charge (and we can agree to the charge) from your **policy** from the **starting date**, this will be detailed in your adviser and consultancy charges summary which we will send you with your **policy schedule**.

Where you ask us and we agree to facilitate an adviser charge and/or consultancy charge from your **policy** after the **starting date**, we will



confirm the details in your yearly statement from us.

The terms and conditions relating to adviser charges and consultancy charges can be found in the Adviser/consultancy charges terms and conditions. The Adviser/consultancy charges terms and conditions that will apply from time to time are available on our website. If you ask us for a copy of the Adviser/consultancy charges terms and conditions, we will give you the version that applies at that time.

15.6 Value-added tax (VAT)

If your policy includes GSIPP in the policy code and was issued before April 2013:

VAT would have applied to the buying of a number of goods and services. This included where those goods and services were bought in connection with your personal pension arrangements. Where this applied your arrangements would have had to pay the extra cost of that VAT.

We would have treated all adviser charge instructions we received as being inclusive of any applicable VAT. Your adviser would have been able to tell you if their charges included VAT.

16. Overseas aspects

If we need to get evidence and/or information in line with the laws or provisions of a country outside of the United Kingdom (for example, if you die or get divorced abroad), we may make acceptance of any payment to or from your **policy** and/or implementing the change to your **policy** subject to one or both of the following:

- We may require you, or whoever is to make or get a payment to or from your **policy**, to provide evidence of and/or information on the laws or provisions of the applicable country in a form acceptable to us.
- We may take reasonable steps to get evidence and/or information about the laws or provisions of the applicable country. The cost of doing this will be met by cancelling **units** under your **policy** in accordance with the Investment fund cancellation procedure (see

section 4.10.2) applying at that time.

17. Written communications

17.1 Notices

- 17.1.1 Any request, instruction or notification (an 'instruction') you make under your **policy** must be in writing unless we agree anything else with you. We will only accept or act on an instruction when we receive it at our head office.

You must also send us any documents and information that we need to carry out your instruction.

All written instructions must be in English and must be clear and easy to understand.

Unless we agree with you to accept a delegated authority from you, nobody else is authorised to give us your instructions or any requests.

- 17.1.2 When we write to you or any other person on your behalf, we will treat our letter as having been received by you, or that other person, three **business days** after posting our letter to:
- your last known address (or the other person's last known address); or
 - the last known address of your agent (or the other person's agent).

17.2 Electronic (email) and fax messages

- 17.2.1 We will treat an email or fax message as a written communication received at our head office, if:
- a. we have told you in writing that we will accept an email or fax message for a specific purpose and your message is for that specific purpose;
 - b. we have told you what type of email we will accept for that specific purpose from time to time; and
 - c. we have told you where to send the email or fax message.
- 17.2.2 We will treat the message as being received when we receive it at that email or fax address.
- 17.2.3 We do not guarantee:
- a. that any email or fax we send to you will be secure;
 - b. that any email or fax sent to or by us will be free from interception and/or

change; and

- c. the routing of any email or fax message or the time of delivery or receipt.

17.2.4 Where an email or fax message is sent by you or your agent, you are liable for any damage or loss caused either directly or indirectly by the use of the email or fax message or in relation to that use.

17.2.5 We can act on an email or fax message that we reasonably believe comes from you or your agent. We do not need to verify the sender of the message or their authority to send it.

17.2.6 It is your responsibility to make sure that any email or fax message you or your agent sends us is actually received by us. We have no liability for messages sent to an incorrect email or fax address.

17.2.7 An email or fax message that does not comply with this section 17.2 is not a valid communication for your **policy**.

18. Applicable law

Unless we agree otherwise, you must have a permanent residential address in the UK at the **starting date** of your **policy**. If you live in the UK at the **starting date**, your **policy** is subject to the law of the country where you have your permanent residential address at that time. So, if your permanent residential address is in:

- England or Wales: your **policy** will be subject to the law of England and Wales.
- Scotland: your **policy** will be subject to the law of Scotland.
- Northern Ireland: your **policy** will be subject to the law of Northern Ireland.

If we agree to a **policy** for you and you do not live in the UK at the **starting date**, your **policy** will be subject to the law of Scotland unless otherwise required by the law of the country where you are living at the **starting date** or by

the law of your home country.

19. Evidence of age and other information

19.1 We will provide benefits under your **policy** only if we get proper evidence and the information we need. This includes evidence:

- of your age (for example, a birth certificate);
- that you are still alive (for example, a letter from your doctor or solicitor); or
- of your death (for example, a death certificate).

19.2 We will ask for this evidence in good faith and in a reasonable manner. We will always consider the reason why we need the information or evidence we ask for. We will not ask for evidence, or information that is excessive, unreasonably difficult to give us or not needed for administering your **policy**.

19.3 We will continue to have the right to ask for evidence that you (or your **dependants**) are still alive. If we do not receive the required evidence within two months of asking for it, we have the right to stop paying any benefits from your **policy** until we receive the required evidence.

20. Miscellaneous

20.1 No third parties rights

You, your **dependant** (but only when your **dependant** is getting pension income direct from your **policy**) and us are the only parties that have a right to enforce any term of your **policy**.

20.2 Transferring ownership of your policy

Your **policy** may not be assigned unless we agree and only if the assignment is to the trustees of a trust under which valid trusts of the whole or part of your **policy** have been declared, as allowed by the **rules**.

20.3 Our agreement

Where you need our agreement to do certain things under your **policy**, if we agree, we will tell you in writing in terms of section 17.1.

20.4 Information powers and HMRC tax charges

20.4.1 HMRC has powers (under the law for the UK and Northern Ireland) to require information to be given to them about your **policy** and to apply tax or additional tax charges in relation to certain contributions or benefit payments from your **policy**.

20.4.2 If HMRC impose any tax charge or fine in relation to your **policy**, we will let you know. We will also tell you if we expect an additional tax charge to be applied when you take benefits from your **policy**. Where we know or expect a tax charge or fine to apply to your **policy** (for example, 'lifetime allowance charge'), we will allow for the charge before we pay any benefits. We will do this by:

- deducting the amount of the charge or fine from the value of your **policy** before we pay benefits; or by
- cashing in **units** under your **policy** as necessary to pay for the charge or fine in accordance with our Investment fund cancellation procedure (see section 4.10.2) applying at that time

and in accordance with the **rules**.

20.5 Policy payments

Any payment made from your **policy** will be paid in UK sterling only. Where you tell us to make the payment to a bank or building society account not situated in the United Kingdom, the bank or building society may charge you for accepting the payment and conversion to a local currency.

21. Termination

No further benefit under your **policy** will be payable after the payment of all benefits in terms of section 10, or a full transfer of your **policy** in terms of section 11 or after you cash in all of your **policy** to provide retirement benefits under section 12.

Waiver of contribution benefit policy

Waiver of contribution benefit, **waiver benefit** as described in the rest of this booklet, applies where the **starting date** for your pension policy is after 5th April 2001 and:

- you take out a waiver policy; or
- your GPP employer arranges for this, and we agree to provide the cover for you.

(If the **starting date** for your pension policy was before 6th April 2001, different terms may apply for any **waiver benefit** that we agreed as part of your **pension policy**. These different terms were set out in the policy booklet and policy schedule we sent you shortly after you joined the GPP.)

We will give you a **policy schedule** to confirm your **waiver benefit** if this applies to you.

Regular contributions and **single contributions** to your **pension policy** can be covered by the **waiver policy**, but not **transfer amounts**.

1. Definitions and interpretation

Some terms set out in section 1 of your **GPP** policy booklet also apply to this **waiver policy**.

The following, used only for the **waiver policy**, have the meanings set out below. Where any terms have a different meaning for the purposes of the **waiver policy**, the **waiver policy** definition is set out below.

alternative occupation is described in section 9 of this **waiver policy**.

benefit period means a continuous period of **incapacity** in any **policy year** which starts on or immediately after the date when **waiver benefit** starts, but excludes:

- a. any **deferred period**, or part of any **deferred period** and
- b. any period of **incapacity** on or after the earliest of:
 - the date you ask us to transfer any benefits out of your **pension policy** (as described in section 11 of your **pension policy**);
 - your 60th birthday or any earlier date that we confirm to you as part of your **waiver policy** terms;
 - your **pension date**; or
 - the first **pension starting date** which applies to any of the policies that are outlined in your **pension policy schedule**.

contributions means contributions to your **pension policy**, including contributions paid from this **waiver policy** during any period of **incapacity**.

deferred period means the first 6 months of **incapacity**.

incapacity means a period of time where you are unable to work in your **usual occupation** or in an **alternative occupation** as a result of illness or accident, subject to evidence of incapacity as detailed in section 8.

increase rate applies as follows:

- where contributions are **earnings-related**, the increase in the **index**;
- where **regular contributions** as described in your **policy schedule** as a fixed amount increasing automatically each year, the increase rate will be the rate confirmed in your **policy schedule**

but subject in all cases to a maximum increase of 7.5% in any **policy year**.

pension policy means the **GPP policy** described in this **policy** booklet. Where there is any confusion over which policy is the **pension policy**, we will confirm which policy applies for **waiver benefit**.

regular benefit contribution and **single benefit contribution** mean any **contributions** which we pay from your **waiver policy**, as set out in section 6 of this **waiver policy**.

usual occupation means the occupation:

- confirmed in your application for this **waiver policy** or;
- confirmed by your **GPP employer**; or
- the occupation or job that you were doing immediately before the start of the **benefit period**.

waiver benefit means the benefit insured under this **waiver policy**.

waiver policy means and is made up of:

- this waiver of **contributions** benefit policy;
- your **waiver policy schedule**; or
- any additional document we give you that changes these conditions and/or a replacement **waiver policy schedule**.

waiver policy schedule means the document called 'Waiver of contribution policy schedule' or 'Waiver of contribution plan schedule' that we send you with this booklet, or any additional or updated version of it that we send you later relating to your **waiver policy**.

2. Overriding provisions

- 2.1 The **contributions** to your **pension policy** are subject to being allowed by the **rules**. The terms of your **waiver policy** do not override or take precedence over any provision of the **rules**, unless we tell you that a term of your **waiver policy** is to apply instead.
- 2.2 One possible effect of section 2.1 on **waiver benefit** is that the **scheme** may only accept **member contributions** that attract income tax relief.
- 2.3 Where we cannot apply full **waiver benefit** because of limits in the **rules**, we will make arrangements with you to pay any amount greater than these limits direct to you. No payment from the **waiver policy** will be made to you unless the payment to your **pension policy** is not allowed by the **rules**.

2.4 We will apply any payments from your **waiver policy** to your **pension policy** as **member contributions**, as described in section 4.4 of your **pension policy** and qualifying for tax relief as described in section 4.3 of your **pension policy**. This is the case (that is we will apply as **member contributions**) even where:

- the **waiver benefit** cover relates to **GPP employer's** contributions (**regular contributions** and **single contributions**); or
- was paid for by your **GPP employer**.

3. Discretionary powers

We can make some changes to your **waiver policy** without your agreement. Where we can do this, we have set this out in this **waiver policy**. Where we cannot do this, we will only make the changes with your agreement. Where we make a change on our own, we will write to you to tell you about it.

4. Evidence of health and other information

We will only provide cover, or increases in cover, under your **waiver policy**, or pay benefits under your **waiver policy**, if we get the evidence and information we consider is necessary and reasonable in connection with your **waiver policy**. This may include, for example:

- information on your occupation and any recent absences from work because of ill-health (we will normally ask your **GPP employer** to give us this information as part of the details we collect when you join the **GPP** or when **contributions** are increased);
- evidence of your age (for example, a birth certificate); or
- evidence of your health (for example, a letter or report from your doctor).

We will confirm any details that we need from you or your **GPP employer**, and/or any evidence of health requirements before:

- confirming cover under this **waiver policy**; or
- before confirming any increase in cover under this **waiver policy**; or
- before we agree to pay, or continue to pay, benefits under your **waiver policy**.

We will also only pay or continue to pay **waiver benefit** during the **benefit period** if we get the evidence and information we consider necessary to support the claim.

We will always consider the reason why we need the information or evidence before we ask for it and we will not ask you for evidence or information that is excessive or unreasonably difficult to give us.

We will continue to have the right to ask you for evidence that you are still alive. If we do not receive the required evidence within two months of asking you for it, we have the right to stop paying any benefits from your **waiver policy** until we receive the required evidence.

5. Charges and changing the terms of your waiver policy

5.1 Your **waiver policy schedule** will specify the charges payable for **waiver benefit** and the **contributions** covered under your **waiver policy**.

We calculate the charge for **waiver benefit** cover as a percentage of **regular contributions** and of any **single contribution** where **waiver benefit** applies. Where we agree to **waiver benefit** cover, we will apply this charge for each **contribution** paid to us and will stop the charge for **waiver benefit** cover on:

- your pension date, or if earlier; or
- your 60th birthday.

5.2 We may increase or otherwise alter the amount of any charge.

We can also make changes to your **waiver policy** from time to time in a reasonable and proportionate manner where it is necessary or prudent to do so. This could be without your agreement and may include, for example:

- where we consider it will make your **policy** easier to understand or fairer to you;
- to allow us to provide an improved, more efficient or lower-cost service to you;
- to reflect market conditions and general industry practice;
- to reflect any changes to the costs we face in providing services to you;
- because of changes in the way we do business;
- to take account of any changes to legislation, codes of practice or regulations and to take account of any decisions made by a court, ombudsman, regulator or similar body; or
- because of changes in technology.

We will only use our discretion to vary your **policy** terms in a reasonable manner and will only do so where we give you notice.

We will give you at least 30 days' notice of the change, unless this would result in us being unable to comply with legal or regulatory changes or is not possible, in which case we will give you as much notice as we can.

You have the right to terminate your **policy** at any time. If you want to do so following variation of the **policy** terms, you should write to us to confirm termination of cover under the **waiver policy**.

6. Benefits

6.1 If **waiver benefit** is provided for **regular contributions** and:

- is not currently suspended under section 11 of your **waiver policy**; or
- or cancelled because you have an **alternative occupation** as set out in section 9

regular benefit contributions will be paid from your **waiver policy** on:

- the anniversary of the **starting date** immediately following the start of each **benefit period**, and thereafter;
- on each anniversary of the **starting date** during the continuation of the **benefit period**.

We may vary the dates of these payments where we consider that this is reasonable, when taking account of the preceding **benefit period**, but we will tell you before we change the payment dates and give you as much notice as is, in our opinion, reasonable and, normally, at least 30 days' notice.

Where a **benefit period** does not end on a payment date, we will make a further payment on the day before the end of the **benefit period**. The amount will be calculated on a proportionate basis, to take account of the time from the last payment to the end of the **benefit period**.

6.2 When calculating the amount of **regular benefit contribution** or **single benefit contribution** that we will pay, we only take account of:

- a. **contributions** paid to the **pension policy** before the start of **incapacity**; and
- b. subject to sections 6.3 and 6.5, **contributions** paid before the **policy year** when **incapacity** starts.

For this, a **contribution** is treated as paid on the date of actual payment.

Any payments to your **pension policy** relating to former protected rights (from contracting-out of the State scheme) do not qualify for **waiver benefit**.

6.3 Non-escalating waiver benefit

This section applies where **regular contributions** to your **pension policy** are not **earnings-related** or not subject to the **increase rate** – that is, **contributions** to your **policy** are fixed amounts that do not increase automatically.

a. Where:

- the whole **policy year** before a payment of **regular benefit contribution** is a **benefit period**; and
- where three or more full **policy years** have passed before **incapacity** starts

the amount of **regular benefit contribution** will be equal to one-third of the **regular contributions** paid in the three **policy years** immediately before the **policy year** when **incapacity** started.

b. Where:

- the whole **policy year** before a payment of **regular benefit contribution** is a **benefit period**; and
- where no more than two full **policy years** have passed before **incapacity** starts

the amount of regular benefit contribution will be equal to one-half of the regular contributions paid in those two full policy years.

c. Where:

- the whole **policy year** before a payment of **regular benefit contribution** is a **benefit period**; and
- where only one **policy year** has passed before **incapacity** starts

the amount of **regular benefit contribution** will be equal to the **regular contributions** paid in that full **policy year**.

d. Where:

- the whole **policy year** before a payment of **regular benefit contributions** is a **benefit period**, and where;
- no full **policy years** have passed before **incapacity** starts

but:

- one at least full year has passed since the date when **waiver benefit** cover started

the amount of **regular benefit contribution** will be equal to:

- the amount of **regular contributions** paid in the full year immediately before the date when **waiver benefit** cover starts.

e. Where:

- the whole **policy year** prior to a payment of **regular benefit contribution** is a **benefit period**; and

- where a full **policy year** and a full year since the **waiver benefit** cover started have not passed before **incapacity** started

the amount of **regular benefit contribution** will be:

- for **regular contributions** paid on a yearly basis, the amount of **regular contributions** paid; and

- for **regular contributions** paid monthly, the amount of **regular contributions** multiplied by 12 and then divided by the number of instalments of **regular contributions** due since the date when **waiver benefit** cover started.

f. Where:

- **incapacity** starts in any **policy year**, but the **deferred period** does not end until into the next **policy year**

any **regular benefit contribution** for that next following **policy year** will be reduced proportionately to exclude the part of the **policy year** before the end of the **deferred period**.

g. Where:

- **incapacity** starts in a **policy year**, and the **deferred period** ends in that same **policy year**

any **regular benefit contribution** for the first **policy year** when the **deferred period** ends will be reduced proportionately to exclude the **deferred period**.

h. We will not take account of any time that has passed or any **contributions** that have been paid before the date **waiver benefit** starts.

6.4 Increasing contributions

This section applies where **regular contributions** to your **pension policy** before **incapacity** starts are **earnings-related contributions** or calculated by applying the **increase rate**.

The **regular benefit contribution** shall be calculated as in section 6.3, subject to the following:

a. Where:

- during the period since **earnings-related contributions** applied or the **increase rate** applied;
- all instalments of **regular contribution** have been paid (on the **earnings-related contributions basis** or reflecting increases in **regular contribution** at the **increase rate**);

the **regular benefit contribution** will equal the **regular contribution** paid on the anniversary of the last **policy year**, then increased by the **increase rate** on the first day of each **policy year** following the start of the **benefit period**.

b. Where:

during the period since **earnings-related contributions** applied or the **increase rate** has applied:

- one or more instalments of **regular contributions** have not been paid on the **earnings-related contributions basis** or reflecting increases in **regular contributions** at the **increase rate** applicable when the instalment was to be paid;

the **regular benefit contribution** shall not be increased during the **benefit period**.

c. Where:

- during the period since the **earnings-related contributions** applied or the **increase rate** applied;
- one or more instalments of **regular contributions** were higher than the expected **earnings-related contributions** or the increased **regular contribution** at the applicable **increase rate** (as appropriate); and
- all other instalments during the period were paid as expected

the **regular benefit contribution** will be calculated as described in section 6.3 except that:

- **regular contributions** for each **policy year** will be taken as the actual amount paid reduced by the lowest **increase rate** during the period (ignoring the period before any **earnings-related contribution** or the

increase rate increase was to apply); and

- the resulting amount increased for the applicable period at the same **contribution increase rate**.

The **regular benefit contribution** calculated in this way will then be increased by the last **increase rate** applying during the **incapacity** period. We will apply these increases on the first day of each **policy year** following the start of the **benefit period**.

d. Where there has been an increase:

- in the percentage rate of **earnings-related contributions**; or
- in the **increase rate**

during the period since the **increase rate** was last applied, **regular benefit contributions**, and any increases in **regular benefit contributions**, will be calculated as in c above, except that

- the increase in **contributions** will be ignored with the increase to **regular benefit contribution** fixed at the last **increase rate** actually applied.

e. Where:

- **incapacity** starts in one **policy year**;
- but the **deferred period** does not end until into the next following **policy year**

any **regular benefit contribution** for that following **policy year** will be reduced proportionately to exclude the period before the end of the **deferred period**.

f. Where **incapacity** starts in a **policy year**, and the **deferred period** ends in that same **policy year**, any **regular benefit contribution** for that **policy year** will be reduced proportionately to exclude the **deferred period**.

6.5 Single benefit contribution

a. If **waiver of contribution benefit** is to be provided in respect of **single contributions** (as confirmed in your **waiver policy schedule**), **single benefit contributions** will be paid during the **benefit period**:

- on the anniversary of the **starting date** immediately following the start of each **benefit period**; and
- on each subsequent anniversary of the **starting date** thereafter.

We will pay a **single benefit contribution** only where a **single contribution** (not **single**

benefit contribution) has been paid in each of the two **policy years** immediately before the **policy year** when **incapacity** started.

b. Where:

- the whole **policy year** before a payment of **single benefit contribution** is a **benefit period**, and
- where three or more full **policy years** have passed before the date on which **incapacity** starts

the amount of **single benefit contribution** will be equal to:

- one-third of the **single contributions** paid in the three **policy years** immediately before the **policy year** when **incapacity** started.

c. Where:

- the whole **policy year** before a payment of **single benefit contribution** is a **benefit period**; and
- where two, but not three or more, full **policy years** have passed before the date when **incapacity** starts

the amount of **single benefit contribution** will be equal to one-half of the **single contributions** paid in those two full **policy years**.

d. Where **incapacity** starts in one **policy year**, but the **deferred period** does not end until into the next following **policy year**, any **single benefit contribution** for that following **policy year** will be reduced by the proportion of that **benefit period** in the **policy year** bears to the whole year.

e. Where:

- **incapacity** starts in one **policy year**;
- but the **deferred period** does not end until into the next following **policy year**

any **single benefit contribution** for that following **policy year** will be reduced proportionately to exclude the period before the end of the **deferred period**.

6.6 We treat the first **regular benefit contribution** as paid:

- on a monthly anniversary of the **starting date** in respect of a period of **incapacity**; and
- as paid during the first period.

We will then apply the **regular benefit contribution** for any **benefit period** after that (the later period) and:

- take into account the first **regular benefit contribution** as a **regular contribution** paid in the **policy year** when the first period occurred; but
- only to the extent that it does not cause the **regular benefit contribution** for the later period to be higher than it would have been, if the later period had followed immediately after the first period, and had been continuous with it.

We will take account of **single benefit contributions** in the same circumstances and to a similar extent.

6.7 When we calculate the payment of any **regular benefit contribution** or **single benefit contribution**, we will limit the payment, if necessary, to a yearly limit starting at £80,000, then increased in the same proportion as **RPI** has increased since the **starting date** of your **waiver policy**, but rounded to the lower multiple of £500.

If **regular contributions** and **single contributions** have been paid, the **single contributions** shall be excluded first to cut back to the limit set out above, and then, if necessary, **regular contributions**.

6.8 Any **regular benefit contributions** or **single benefit contributions** we pay from your **waiver policy** will be treated as if they were **member contributions** actually paid to us under the terms of the **pension policy**.

6.9 Where **waiver benefit** cover stops, and then later re-starts, we will ignore the time passed and **contributions** paid before the date of the re-start.

7. Temporary breaks in incapacity

Where:

- you suffer from a later period of **incapacity**, which in your personal medical attendant's opinion, is from the same or a related cause as a previous period of **incapacity**; and
- where we agreed to pay

we shall treat this as a continuation of the **incapacity** for the purpose of providing **waiver benefit**, unless there is six months or more between the two periods of **incapacity**.

8. Evidence of incapacity

8.1 Where we ask for written evidence of **incapacity**, you must arrange for this to be provided to us:

- at least one month before the end of the **deferred period**; or
- by the date that we ask you to arrange this.

8.2 Where we agree that we should pay benefits from your **waiver policy**, we may ask you to provide reports relating to your **incapacity**. We will tell you what form these reports must take and when you need to provide them to us. We can also ask you to get a medical examination from a medical officer we choose, where we think this is reasonable.

8.3 You must follow all reasonable advice medical professionals give you. Where you do not, we can stop or alter your **waiver benefit** or **regular benefit contributions** or **single benefit contribution** to your **pension policy**, depending on the circumstances and as we see appropriate.

8.4 You are responsible for providing all evidence of **incapacity** that we may request and for meeting the costs associated with doing this. We will only meet the cost of any medical examination that we ask to be performed, where indicated under this **waiver policy**.

9. Alternative occupations

For the purposes of this section:

an 'alternative occupation' is another occupation or job, that is:

- different from the one that you were doing before the start of **incapacity** when you and/or your **GPP employer** were paying contributions to your **pension policy** and not;
- reliant on the skills, education, training or experience that you needed for the occupation or job that you were doing before the start of **incapacity**

and

'subject to tax' means subject to income tax under Schedule D or E of the UK income tax regulations that apply to earnings from a trade or profession, or the equivalent if you are working outside the UK and subject to tax in another country or countries.

9.1 We will treat you as not carrying out an **alternative occupation** where the following applies:

All earnings and benefits from any occupation or job that are subject to tax, or which would be subject to tax but for the fact that the payment

is not made direct to you (for example, paid to a trust or to your own limited company):

- over the first 12 months after the start of the **benefit period**; and
- in each successive 12-month period, are less than 75% of:
 - i. the average yearly market rate of earnings for someone in a similar occupation to you. (Each time we make this comparison, we will use information from the Office of Population Census Studies at that time, or any other source which we consider is reasonable, to establish the amount.)

or, if more:

- ii. all earnings and benefits from your **usual occupation** in the 12 months (proportionately increased, where the period is less than 12-months) before the start of your **deferred period** and which are subject to tax, or which would have been subject to tax but for the fact that the payment is not made directly to you (for example, paid to a trust or to your own limited company). We will increase this total by:
 - the percentage increase in the **index** for the 12 month period ending six months before the end of the previous **policy year**, but limit each such increase to 7.5%.

If a **benefit period** ends during a policy year, no further increase will be made for **regular benefit contributions** relating to that **benefit period**.

- 9.2 We will assume that you are receiving more than 75% of the earnings (as set out in section 9.1) unless and until you provide us with evidence that this is not the case, in a form that is reasonable for us to ask for. We may, at our discretion, agree to pay **regular benefit contributions** to your **pension policy** before you are able to give us earnings evidence. If we do this, we will set a date by which you must give us the evidence that we require. If, then, you do not give us the evidence that meets our reasonable requirements before the latest date we set for this, we can take away the amount we credited while we waited for the evidence. If we do take away any **regular benefit contributions** credited to your **pension policy** because you did not supply the earnings evidence that we asked you for, we will:

- take into account any increase in the value over the period; and
- cancel **units** up to the value of the amount that we credited to your **pension policy** during the time that we waited for you to provide the evidence of your earnings.

We will calculate the value, for this purpose, on the same basis that we would apply at that time for any transfer to another arrangement (outside **Aegon**).

- 9.3 You must not arrange that your earnings, as described in paragraph section 9.1, are calculated or adjusted in any way with the intention of meeting the 75% limit. In addition, the earnings figures or benefits in the comparison will be before any reduction for salary sacrifice and salary exchange under any flexible benefits packages that form part of employment contracts.
- 9.4 If you have more than one occupation at any specific time, we will consider each of them individually and the total earnings or benefits from them all.
- 9.5 In accordance with section 10.2 of this **waiver policy**, we may agree to pay or continue to pay **waiver benefit** while you are living and working outside the UK. If we do agree to this, we will apply the currency exchange rate on the day after we get evidence of your non-UK earnings, to determine whether or not your earnings breach the '75% limit' set out in section 9.1.

10. Exclusions

- 10.1 Any **incapacity** resulting from any of the following causes is excluded from this **waiver policy**:
- a. war (whether declared or not), active participation in riot, civil commotion, or military or usurped power (seized by force);
 - b. self-inflicted injury;
 - c. taking alcohol or drugs, or any condition aggravated by alcohol or drugs unless you have been told to take them at the direction of a registered medical practitioner;
 - d. aviation or travelling by air unless you are a fare-paying passenger on an aircraft licensed to carry passengers;

- e. any **incapacity** arising from, or worsened by, infection by any Human Immunodeficiency Virus (HIV), Acquired Immune Deficiency Syndrome (AIDS) or other similar or related condition or syndrome; or
- f. any **incapacity** arising from, or worsened by, an injury incurred in any paid sports-related occupation.

10.2 We will not pay **waiver benefit** for any **incapacity** that starts or continues while you live outside the United Kingdom, or in any country that is not a member of the European Union. At our discretion, we may continue the **waiver benefit** where we agree in writing beforehand that you intend to live outside the United Kingdom or in a country that is not a member of the European Union. Where we agree this, we will make clear any changes or exclusions that will apply to your **waiver policy**.

11. Missing contributions and suspension of waiver benefit

If no:

- **regular contributions**; or
- **regular benefit contributions**

are paid to your **pension policy** in any **policy year**, your right to **waiver benefit** in respect of **regular contributions** stops and will be suspended indefinitely.

While **waiver benefit** is suspended, we will not consider you to be suffering from a period of **incapacity**.

You can ask us to restore **waiver benefit**. We may agree to this, but, before agreeing, we may ask for evidence of your health and apply terms or restrictions that we decide are reasonable at that time. Any period of **incapacity** which started before **waiver benefit** is restored will not count as **incapacity** for a new **waiver benefit** claim. In addition, any **incapacity** which starts later, but is related, directly or indirectly (based on medical opinion) to an earlier period of **incapacity** (earlier than the date when **waiver benefit** was restored) will not count as **incapacity** for the purpose of **waiver benefit**.

When **regular contributions** re-start, **waiver benefit** in respect of those **contributions** will also restart, provided that the charge for the benefit is paid. The amount of **regular benefit contribution** will be determined as set out in section 6 and will take into account the period

during which **regular contributions** were not paid or not deemed to be paid.

The sections above also apply to **single benefit contributions**.

For the purposes of this section, a **regular contribution** and/or **single contribution** is treated as paid in the **benefit period** that it relates to.

If the charge for **waiver benefit** is not paid as described above, the **waiver benefit** cover stops and may only be re-started on terms agreed with us.

It will be possible for us to agree with you that this section 11 does not apply and that any suspension of **waiver benefit**, or stopping, can be covered by different terms that we both agree.

12. Units secured by benefit contributions

Unless we agree otherwise, where a **regular** or **single benefit contribution** is paid under this **waiver policy**, **units** shall be added to the **pension policy** in the same way as if the actual **regular contribution** or **single contribution** had been paid and attracting tax relief as described in section 4.3 of your **pension policy**.

13. Miscellaneous

13.1 Written communications

Any request, instruction or notification (an 'instruction') under your **waiver policy** must be in writing. We will only accept or act upon it when we receive it at our head office.

You must also send us any documents and information that we need to carry out your request or instruction.

All written instructions must be in English and must be clear and easy to understand.

Unless we agree with you to accept a delegated authority from you, nobody else is authorised to give us your instructions or any requests, instructions or notifications on our behalf.

When we write to you or any other person on your behalf, we will treat our letter as having been received by you, or that other person, three **business days** after posting our letter to:

- a. your last known address (or the other person's last known address); or
- b. the last known address of your agent (or the other person's agent).

13.2 Electronic (email) and fax messages

We will treat an email or fax message as a written communication received at our head office, if:

- a. we have told you in writing that we will accept an email or fax message for a specific purpose and your message is for that specific purpose;
- b. we have told you what type of email we will accept for that specific purpose from time to time; and
- c. we have told you where to send the email or fax message.

We will treat the message as being received when we receive it at that email or fax address.

We do not guarantee:

- a. that any email or fax sent to or by us will be secure;
- b. that any email or fax sent to or by us will be free from interception and/or change; and
- c. the routing of any email or fax message or the time of delivery or receipt.

Where an email or fax message is sent by you or your agent, you are liable for any damage or loss caused either directly or indirectly by the use of the email or fax message or in relation to that use.

We can act on an email or fax message that we reasonably believe comes from you or your agent. We do not need to verify the sender of the message or their authority to send it.

It is your responsibility to make sure that any email or fax message you or your agent sends us is actually received by us. We have no liability for messages sent to an incorrect email or fax address.

An email or fax message that does not comply with this section is not a valid communication for your **waiver policy**.

13.3 Exercise of rights

You and we are the only parties that have a right to enforce any term of this **waiver policy**.

13.4 Applicable law

Your **waiver policy** is subject to law of the country where you have your permanent residential address at the **starting date** of your **waiver policy**. If, at that time, your permanent residential address is in:

- England or Wales: your **policy** will be subject to the law of England and Wales;
- Scotland: your **policy** will be subject to the law of Scotland; or
- Northern Ireland: your **policy** will be subject to the law of Northern Ireland.

If we agree to a **waiver policy** for you and you do not live in the UK at the **starting date**, your **policy** will be subject to the law of Scotland unless otherwise required by the law of the country where you are living at the **starting date** or by the law of your home country.

13.5 Information powers

HMRC has powers to require information to be given to them about aspects of your **waiver policy**.

We will comply with any information requests that HMRC send us.

13.6 Assignment

Your **waiver policy** may not be assigned unless we agree, in writing, that it can.

14. Evidence of health

14.1 Any **waiver benefit** that we provide is subject to us receiving all information and evidence that we ask you for. This will allow us to carry out our proper underwriting procedures (assessing your health risks, if we consider this is necessary) and set the appropriate charges for providing your **waiver policy**.

14.2 We may decide to take a simpler approach to that outlined in section 14.1, but this will be based on a number of assumptions (such as the level of **regular contributions**).

14.3 If we do decide to provide **waiver benefit** using a simplified approach and any of our assumptions turn out not to be met, we can request that any **waiver benefit** cover, past or future, is subject to you completing the full procedure outlined in section 14.1.



Aegon and Scottish Equitable Pensions and Bonds
Sunderland
SR43 4DS

Phone: 03456 100 010 (call charges will vary)

Fax: 0870 242 6788

aegon.co.uk

aegon.co.uk/onlineform

GPP V15	PP9	PP6	PP 9M3	PP SP1
GPP V13B	PP8	PP5	PP 9M2	PP SH1
GPP V13A	PP V8A	PP4	PP 9S3	
GPP V12A	PP V8B	PP3	PP 9S2	PP SC2
GPP V10A	PP7	PP2	PP 9S1	PP SC1
	PP V7	PP1	PP 9M1	
GSH V12A	PP V7A	PP1A		
GSH V10A	PP V7B	PP1B		
GSIPP V13B				
GSIPP V13A				
GSIPP V12A				
GSIPP V10A				

aegon.co.uk



@aegonuk



Aegon UK



Aegon UK



Aegon is a brand name of Scottish Equitable plc. Scottish Equitable plc, registered office: 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. © 2024 Aegon UK plc

WPS00270184 04/24