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, with over 34,000 company pension schemes, 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 GPP scheme adviser or you can call us on 03456 10 00 88.

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.

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

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).

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 call us, please have your plan number to hand so we can help you with your enquiry as quickly as possible.

You should complete a Death benefits nomination form. It’s important you complete this and send it back to us as a record of your expression of wish. If you haven’t received this form you can download it from aegon.co.uk, print it out, 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. 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.

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 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 visit unbiased.co.uk there’s a simple questionnaire to fill out. 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 aegon.co.uk/Funds/switch-funds/index.htm 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 are in ill health.

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 professional 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.

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 direct financial advice. If you need this, you should speak to a financial adviser. You may have to pay for this advice.
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 call us on:
03456 10 00 88
You can also go online at: aegon.co.uk/onlineform

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: unbiased.co.uk

In writing and online
If you’d like any more information about the scheme, you can ask for this by writing to:
The Scheme Administrator
Aegon
Edinburgh Park
Edinburgh
EH12 9SE
Or you can find out more on our website: aegon.co.uk
How to get advice or make a complaint

Our aim is to provide a quality service for you. We hope that if you do have a problem with our service, we can resolve the matter for you. However, if you’re still not happy with our response, there are organisations that may be able to help you:

The Pensions Advisory Service
The Pensions Advisory Service is available to help members and beneficiaries of schemes with difficulties which they can’t resolve with the scheme administrator. You can get in touch at:
The Pensions Advisory Service
11 Belgrave Road
London
SW1V 1RB

The Pensions Ombudsman
If you have a complaint or dispute against a pension scheme, you can contact The Pensions Ombudsman at the same address, clearly marking it for the attention of The Pensions Ombudsman.
In most cases, you should address any complaint to the Pensions Advisory Service first.

The Financial Ombudsman Service (FOS)
We’re covered by the FOS, so you can contact them if you have any complaints that we can’t settle. You can get in touch at:
The Financial Ombudsman Service
Exchange Tower
London
E14 9SR
Referring the matter to either ombudsman service won’t affect your right to take legal action later on.

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:

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

We may change the terms of your policy from time to time, as set out in section 3 on page 12. You will be able to get a copy of the current version of your policy booklet from our website aegon.co.uk.
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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 aegon.co.uk/funds

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

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.
Section 10.2 applies only if the starting date of your policy is on or after 1st January 2013 and before 20th March 2018.

10.2 Accidental death benefit
Where your policy has a starting date of on or after 1st January 2013 and before 20th March 2018, we will pay an accidental death benefit if the conditions set out in this section 10.2 apply, if, subject to section 10.2.2, you die before the fifth anniversary of the starting date of your policy and where all the terms of 10.2.3 are met.

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 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 across the 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 date’) 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 subsection 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.

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

17.2.2 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.

17.2.3 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.

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

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

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.)
  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 (sieved 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.
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