

What is Secure Retirement Income?

Benefits of Secure Retirement Income

- **Guarantees a minimum income for life**
- **Change income, or access savings, at any time**
- **Death benefit option offering loved ones some financial security**
- **Income increases if your fund does well**

Secure Retirement Income is designed for savers who are approaching or in retirement. It gives you a guaranteed income for the rest of your life – no matter how long that is – even if the value of your savings falls to zero. This means you can retire without worrying whether market falls will adversely affect your retirement plans.

This document is based on our current terms for Secure Retirement Income investments taken out on or after 7 January 2017. If you already have a Secure Retirement Income investment(s) the terms that apply to those may be different from these shown in this document. You can check the terms that apply to your Secure Retirement Income investment(s) by checking your Confirmation of Secure Retirement Income investment statement(s). You'd have been sent this by mail when you originally invested in Secure Retirement Income.

Who can use Secure Retirement Income?

It's for customers aged between 45 and 74 who have between £20,000 and £1 million to invest.

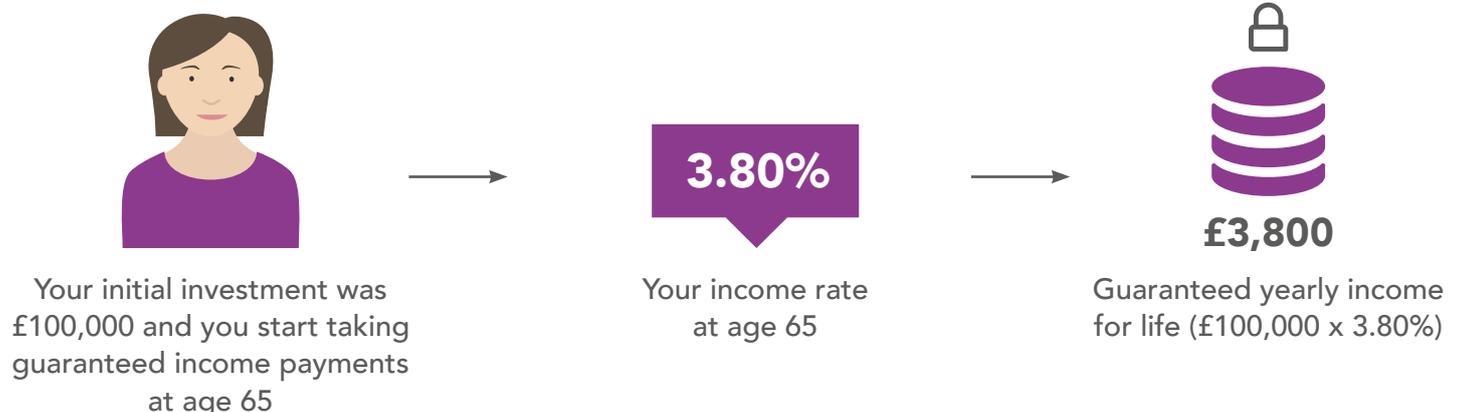
You can invest in Secure Retirement Income from age 45 to grow a future minimum level of guaranteed income. You can start guaranteed income payments at any time from age 55.

How much guaranteed income can I get?

When you invest in Secure Retirement Income your original investment is called your income base. To calculate the amount of guaranteed income we multiply your income base with the relevant age-related income percentage, corresponding to the **age at which you start taking your guaranteed income**. You can find details of the age-related income percentages on the next page.

We calculate and set our age-related income percentages to achieve the best balance for you between guaranteed benefits and costs.

The example below shows how we calculate your level of guaranteed income:



The table below shows our current income rates for each age.

55 – 2.95%	61 – 3.55%	67 – 4.00%	73 – 4.25%
56 – 3.05%	62 – 3.65%	68 – 4.05%	74 – 4.25%
57 – 3.15%	63 – 3.70%	69 – 4.10%	75 – 4.25%
58 – 3.25%	64 – 3.75%	70 – 4.20%	76 – 4.25%
59 – 3.35%	65 – 3.80%	71 – 4.20%	77 and older – 4.30%
60 – 3.45%	66 – 3.90%	72 – 4.20%	

Your income rate is based on the age at which you start your guaranteed income payments from your Secure Retirement Income investment. So if you start your guaranteed income payments at age 65, your income rate is set at 3.80%. It won't increase to 3.90% when you turn 66. Read on to find out how your income could increase.

How are guaranteed income payments made?

Guaranteed income payments are deducted from your Secure Retirement Income investment and will reduce the value of your savings as shown in the example below:



* This is a simplified example for illustrative purposes, assuming you started taking your guaranteed income payments at age 65. The performance of the Secure Retirement Income fund you're invested in, and the charges taken, will also affect the value of your savings over time.

Crucially though, **even if your Secure Retirement Income runs out completely, we'll keep paying your guaranteed income payments.** Your guaranteed income payments won't go down unless you switch out of Secure Retirement Income.

Your guaranteed income payments are paid into your drawdown cash facility each month and you decide how much income you want to receive into your bank account each month.

Depending on the overall level of income you decide to take from your plan, we may have to make up the balance from other assets in your plan if your guaranteed income payments don't cover the full amount of income you require in your bank account.

If you don't take the full amount of the guaranteed income payment paid into your drawdown cash facility as income to your bank account, the remainder of the guaranteed income payment will be left in the cash facility. It will remain there unless you or your adviser take action to invest in other assets and may be used to pay any other charges or fees that might be payable.

It's important to know that any guarantee is based on the ability of the issuing insurance company – in this case Scottish Equitable plc – to pay it. If, for example, that company no longer existed, then the guarantee(s) would be affected.

If we become unable to meet our liabilities and if you're habitually a UK resident when the contract started, you'll be covered by the provisions of the Financial Services Compensation Scheme (FSCS). Insurance business of this type is generally covered for 100% of the value of the whole claim, without limit.

You can get more information about compensation arrangements from the FSCS at [fscs.org.uk](https://www.fscs.org.uk)

Can my guaranteed income payments increase over time?

Inflation means the things we buy tend to get more expensive over time, so we've added something we call our monthiversary feature to Secure Retirement Income. Here's how it works. At the review date of your Secure Retirement Income investment, we look back to see what the fund value was on the review date anniversary and each of the corresponding monthly anniversaries – we call these dates the monthiversaries. You can find out more about monthiversaries in the 'How do monthiversaries work?' section of this guide.

Can I switch out of Secure Retirement Income?

If your circumstances change, you can switch money out of your Secure Retirement Income investment at any time. This can be useful if you need access to more of your savings than normal, or if you're using Secure Retirement Income alongside flexi-access drawdown to create your overall savings pot and want to adjust the balance between the two.

However, taking savings out of Secure Retirement Income will affect the amount of your guaranteed income payments. You can also choose to switch all your money out of your Secure Retirement Income investment if need be – you should be aware that if you decide to do this, your guaranteed income payments will stop.

Leaving money to loved ones

Having worked hard for many years to build your retirement savings, you may want any remaining savings to go to your loved ones when you die.

Passing on an income

When you start guaranteed income payments from Secure Retirement Income, you can select for this to be based on single or joint life. If you choose joint-life guaranteed income payments, when you die the person you nominate can continue to receive guaranteed income payments at 50% of the income rate that was payable to you, until they die.

To qualify as a joint-life dependant, the person you nominate must be, at the point of nomination and on your death, either;

- your spouse or civil partner;
- someone who in our opinion was;
 - financially dependent on you, or
 - the person's financial relationship with you was one of mutual dependence, or
 - the person was dependent on you because of physical or mental impairment.

In addition to the above, at the point of nomination the joint life can't be more than 10 years younger than you.

Please note: if you have drawdown funds where those funds were inherited on the death of someone else and you invested in Secure Retirement Income from those funds, you won't be able to take joint life guaranteed income payments from those Secure Retirement Income investments.

Passing on remaining savings

If you don't choose the joint-life option, we may pay or allocate any remaining savings to your nominated beneficiaries when you die.



And, if you select the guaranteed minimum death benefit option, this amount could be higher.

If you choose guaranteed minimum death benefit, the amount available for payment of death benefits will be the higher of:



The value of any remaining Secure Retirement Income investments

or



The highest monthiversary lock-in value at the last review date, minus any guaranteed income payments paid**

or



The value of your original investment, minus any guaranteed income payments paid**

** Please note, the value of this benefit will be reduced proportionately if you've switched out of your Secure Retirement Income investment.

If we've paid more in guaranteed income payments than the highest monthiversary lock-in value at your last review date, or your original investment, and your fund value is zero, then there won't be any money to pass on.

You can find out more about monthiversary lock-in values below.

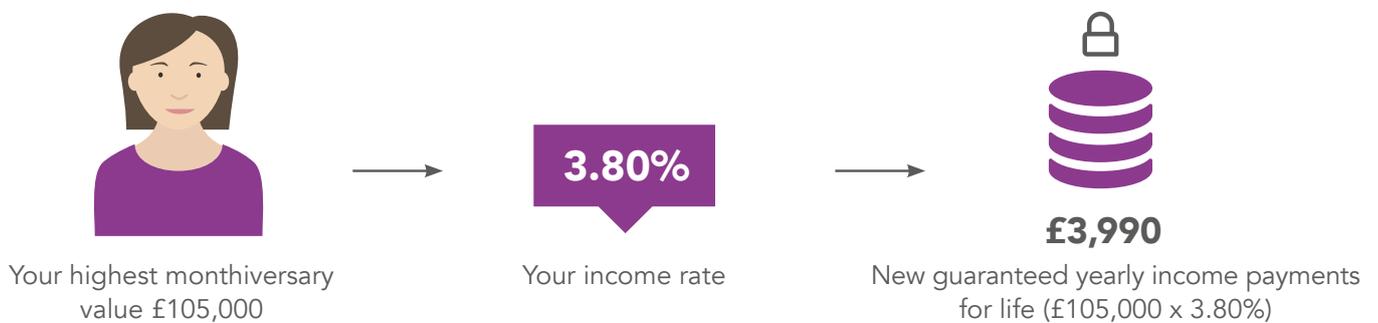
How do monthiversaries work?

Our monthiversary feature gives you 12 opportunities – every year you have your investment – to lock in investment growth.

Here's an example: Let's say at age 65 you invest £100,000 and start your guaranteed income payments. Let's also assume we review your Secure Retirement Income investment every year in April. We'd pay £3,800 guaranteed income into your drawdown cash facility each year. After reviewing the 12 monthiversary values on the review date anniversary, we see that the highest value was in month eight (November) – the value was £105,000 on that date.



From the start of year two, £105,000 would be your new locked-in income base and this is the amount we use to calculate your guaranteed income payments in year two, so:



When we lock in a new income base, it won't go down in the future unless you switch out of your Secure Retirement Income investment – but it could go up again. Every year on the review date anniversary, we review your income base. So you could lock in a higher income base year on year.

The monthiversary feature is likely to only be effective if you've deferred taking your guaranteed income payments, or in the early years if you're taking your guaranteed income payments.

Can my guaranteed income payments increase if I don't take it immediately?

Yes. If you don't want to take your guaranteed income straight away you don't have to. Once a year, before you start taking your guaranteed income, we'll automatically increase your income base by at least 1% of your original investment – we call this guaranteed pre-income increases. The increase that applies in the first year will be a proportion, based on the number of days you've been invested.

However, we could increase your income base by more if your fund has done well. Our monthiversary feature locks in your highest monthiversary value over the year if it's higher than the current income base plus 1% of your original investment.

The amount your income base will increase by depends on how your fund value performs. It will increase to the higher of:

the current income base plus 1% of your original investment**

or

the monthiversary lock-in value**

** Proportionately reduced for any switches out of your Secure Retirement Income investment

Growing your income base

1% deferral story

Let's say you invest £100,000 at the start of your investment at age 60, and don't take guaranteed income payments immediately. The following graph shows how our guaranteed pre-income increases of 1% can grow your income base.

- Original investment
- 1% guaranteed pre-income increase
- 🔒 New locked-in income base



With our guaranteed pre-income increases, the income base has grown from £100,000 to £105,000, and we lock this value in for life as your new income base. If you then decide to start taking your guaranteed income payments, your guaranteed income payment amount would be based on £105,000. But it could be more, read the 'Monthiversary deferral story' to see how.

Monthiversary deferral story

Let's say you invest £100,000 at the start of your investment at age 60, and don't take guaranteed income immediately. The following graph shows how our guaranteed pre-income increases of 1% work with our monthiversary feature to grow your income base in a varying market. The example is for illustrative purposes only and isn't a representation of how we think your investment may perform.



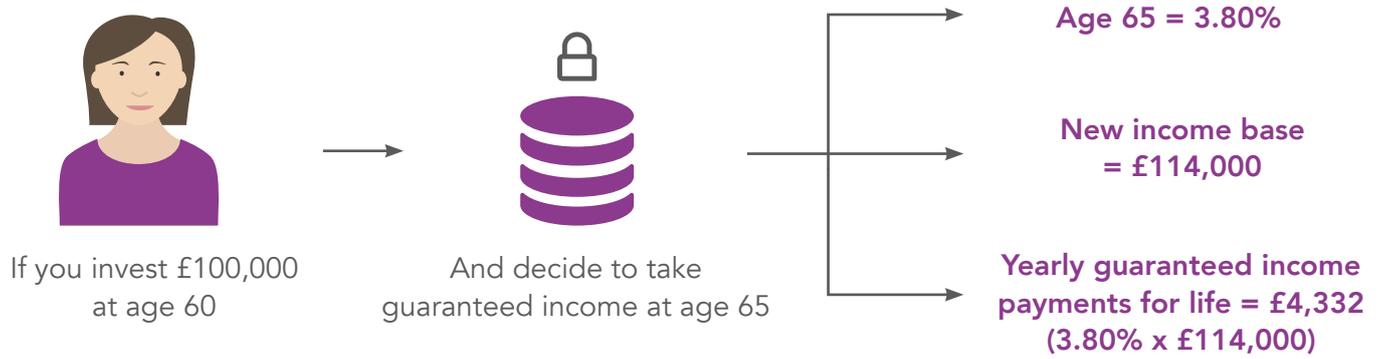
The table below shows the values represented by the illustration above. As you can see, the shaded boxes represent the higher value being locked in as your new income base.

Year	0	1	2	3	4	5
1% pre-income increase	£100,000	£101,000	£106,000	£110,000	£111,000	£112,000
Highest monthiversary value in year	£100,000	£105,000	£109,000	£107,000	£109,000	£114,000
Income base locked in for following year	£100,000	£105,000	£109,000	£110,000	£111,000	£114,000

As you can see, at the end of years one and two the monthiversary feature locks in the highest value as your new income base and this is what we would base your guaranteed income on if you decided to take it at this stage.

In years three and four the 1% pre-income increases are higher than the highest monthiversary figure so we lock in the guaranteed pre-income increase value as your new income base. This is what we would base your guaranteed income payments on if you decide to take it at this stage.

Finally, at the end of year five, the monthiversary value is again the highest value and so our monthiversary feature has grown your income base to £114,000. This is the value we would base your guaranteed income payments on if you decided to take it at this stage.



And remember, once we've locked in the higher value, we lock it in for life, and it will never go down unless you switch out of your Secure Retirement Income investment.

Plus, don't forget, you can opt to start taking guaranteed income payments at anytime from age 55.



Where can I invest?

You can choose between two funds, designed specifically for use in conjunction with Secure Retirement Income.

Aegon SRI Managed Volatility fund	Average exposure to UK company shares
Conservative	30-35%
Cautious	45-50%

These funds invest in UK company shares and UK gilts and use a sophisticated risk-management process to make sure the amount of risk they take remains constant. Generally speaking, the more risk a fund takes, the greater its growth potential. However, riskier funds also have more chance of experiencing falls.

You can only invest in one fund and once invested, can't switch to the other fund.

These funds are subject to regular monitoring to check if they meet out Funds Promise commitments. You can find out more about our Funds Promise at aegon.co.uk/fundgovernance

You can find out more about these funds on their factsheets, and your adviser will help you work out which one best matches your risk appetite.

What does it cost?

There are charges to cover the administration of the Secure Retirement Income investment and to provide you with the benefits it provides. You can read about all of these charges in our [Secure Retirement Income – charges](#) guide.

This is an overview of Secure Retirement Income. If you'd like to find out more or get an illustration, please speak to your financial adviser.

The future is in your hands.
For more information,
visit aegon.co.uk



Aegon is a brand name of Scottish Equitable plc (No. SC144517) and Aegon Investment Solutions Ltd (No. SC394519) registered in Scotland, registered office: Edinburgh Park, Edinburgh, EH12 9SE. Both are Aegon companies. Scottish Equitable plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Aegon Investment Solutions Ltd is authorised and regulated by the Financial Conduct Authority. Their Financial Services Register numbers are 165548 and 543123 respectively. © 2017 Aegon UK plc