Standard Life
Part of Phoenix Group

keyfacts®

Key Features of the Standard Life Pension Annuity

(Open Market Option and Transfer versions)

Help with accessibility and alternative formats

We offer our services in a range of formats to help you manage your plan.

Visually impaired

You have a choice of how you receive any letters or documents from us. We can offer large print, Braille and audio formats.

Hearing or speech impaired

You can contact us using Relay UK. You can use Relay UK by downloading their app to your computer, laptop, tablet or phone. You can download the app and find more instructions on the Relay UK website **rnid.org.uk/information-and-support/technology-and-products/relay-uk**.

You can call us on **0808 164 0164** to manage your choice. Call charges will vary.

This is an important document. Please read it and keep it along with your personal quote for future reference.

The Financial Conduct Authority is a financial services regulator. It requires us, Standard Life, to give you this important information to help you to decide whether our Standard Life Pension Annuity (Open Market Option or Transfer version) is right for you.

You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

Please note that this document provides general information in relation to your annuity and you should refer to the terms and conditions if you have any queries in relation to our respective rights and obligations.

Helping you decide

This key features document provides you with information on the main features, benefits and risks of the Standard Life Pension Annuity.

Your personal quote shows the benefits you may get in the future.

Your key features document and personal quote should be read together.

You can shop around and buy your annuity from any authorised provider. By shopping around you may improve the income you receive in retirement.

From age 50 you can get free impartial guidance from Pension Wise, a service from MoneyHelper. Visit **moneyhelper.org.uk/pensionwise** or call **0800 138 3944**.

MoneyHelper guides are also available at **moneyhelper.org.uk**

Pension Wise

1. Its aims

- To provide you with a guaranteed income for life (annuity) with the options you choose
- If you choose, it can provide an annuity for your spouse or civil partner and/or dependant(s) after you die
- To provide you with a potentially higher income if you are in poor health
- To offer you the option that your beneficiaries might receive a lump sum payment, if the income received is less than the amount being protected, in the event of your death

2. Your commitment

- You need to use some or all of the proceeds from your pension plan to buy this annuity from us. In return, we'll pay you a guaranteed income for the rest of your life
- To ensure the pension income options from this plan are right for you
- To ensure you answer any medical, personal or lifestyle questions fully and accurately to the best of your knowledge and belief. If you don't, your payments may be reduced to our standard rates. Any overpayments already paid may be taken back
- To tell us if any of the medical details or other information you give us changes between the time you sign the application form and the start of your plan
- You have the right to cancel this plan for up to 30 days from when you receive your cancellation notice. We'll send you this when your plan is set up. After then, you cannot change your mind about how we've set it up

3. Risks

- Once you've bought your annuity from us, you can't transfer the value to another company or cash it in. If you cancel your annuity during the 30-day period after you receive your plan income payment schedule, we will ask you to return any payments made
- Your annuity will be based on the options you choose when you set it up. You can't change your options at a later date
- If you die in the early years of your plan, the total income you've received may be less than the value you paid to buy the annuity. If this is a concern, you can choose to take out value protection or set up a guaranteed period to help protect against this
- Your annuity will stop when you die, unless you've chosen for it to continue. Please see the 'What happens to my annuity when I die?' section on page 8 for further details
- Inflation will reduce what your money will buy in the future. If inflation is a concern, you can protect against it by choosing an annuity that increases by a fixed rate each year (inflation could be higher than the fixed rate you chose though). Or, you could choose to link the increase to inflation
- The quote is guaranteed for 14 days. If we receive the application within this period, we'll extend the quote guarantee for a further 30 days to receive payment(s) as set out in the quote. If all payments are received and requirements met during the 30 days, we'll use the higher of the rates given in the quote or our current rates. If any payments are received after the quote guarantee expires, or if any details change, we'll have to provide a new quote on our current rates. The quote guarantee will be reduced if it exceeds the maximum entry age for the product.
- If you've provided us with medical information and your doctor is unable to confirm it, your payments may be reduced to standard rates, unless further medical information is provided
- The value of your pension plan can fluctuate so the amount you can use to buy your annuity can change as well

Remember – you can reduce the potential risks by adding options mentioned above. Choosing these options will reduce your income payments but may provide you with greater peace of mind.

4. Questions and answers

What is the Standard Life Pension Annuity?

It's a plan that pays you a guaranteed income for the rest of your life, bought with some or all of the proceeds from your pension plan.

Normally, the minimum amount you must have in your pension pot to buy the annuity is £10,000. It may be less for existing customers.

You can normally buy an annuity if you are at least 55 (rising to 57 on 6 April 2028). The maximum age for this annuity is under 86.

You don't have to use all your pension pot to buy an annuity in one go. You can buy them in stages to best suit your needs.

It can provide a spouse, civil partner or dependant with an income when you die, should you choose this option.

You may be able to take a tax-free lump sum, or tax free cash when you buy an annuity. This will normally be up to 25% of your pension pot, subject to your available individual Lump Sum Allowance (iLSA).

The iLSA is set by the government and limits the amount of tax-free lump sum, or tax free cash you can take. This is usually up to £268,275 unless you have any type of Lifetime Allowance (LTA) protection which may entitle you to a higher iLSA.

If you are in poor health and suffer from conditions like high blood pressure or diabetes, it is likely you will qualify for a higher income.

Remember: you can get help with understanding taxation from Pension Wise, see page 3 for contact details, or speak to your financial adviser if you have one.

4.1 How flexible is it?

You have a number of options you can choose from before we set up your annuity.

These are explained under the following sections:

- **4.2 What will my income be?**
- **4.3 What income options do I have?**
- **4.4 What choices will I have about how payments are made to me?**

Once your plan is set up, you cannot change the options you have chosen, defer payments, or cash it in. Also, once your plan is set up, you cannot change the benefits it provides to another person (if you chose this option) after your death.

4.2 What will my income be?

The amount of your payments will depend on a number of things, for example:

- the value of the pension pot that you are using to buy the annuity with
- if you decide to take a tax-free lump sum, or tax free cash
- your residential postcode
- your age when you buy it
- your marital status
- your health/lifestyle (if you are in poor health, you are likely to qualify for higher payments)
- the options you choose
- how often your income is paid
- any adviser charges or commission
- annuity rates at the time of purchase

You should shop around to find the best deal for you.

4.3 What income options do I have?

You can choose from the options explained below to best suit your needs. You can ask for personal quotes that will show you the difference the combinations would make to your income payments.

While you are alive, we won't reduce or stop your payments based on the options you choose, except where we are unable to verify any medical information.

Please remember that the following options are not free – they all come at an extra cost and will reduce the amount of your income payments – but they may provide you with added peace of mind.

Payments to your dependant

- This is an income paid to your spouse, civil partner or dependant when you die
- By choosing this option you can help protect your dependant's retirement lifestyle by having an income paid to them for the rest of their life. This is in return for a smaller income paid to you
- You can choose for their income to be the same as your income or a lower amount
- If you choose the "any spouse" option and your spouse when you die is more than 10 years younger than the spouse you name on the application, their pension income may be reduced. It will reduce by 2.5% a year or by 0.2083% for each complete month (equating to 2.5% per year) by which the difference in age exceeds 10 years
- If your dependant dies before you, then their income will not start or be payable

Guaranteed payment periods

- This is an option that ensures payments do not stop on your death and will continue to be made to who you choose. There is a cost for the guaranteed period, the longer the guaranteed period chosen, the more it reduces the income payable if you choose to take it
- If you die within a set guaranteed period, payments will continue to be paid to your spouse, civil partner, dependant or to your estate until the end of the guarantee period
- You can choose to guarantee payments for up to 30 years
- If you asked for your annuity to increase each year, the annuity payable in the guaranteed period will also increase

Value protection

- Value protection is designed to pay a lump sum to your estate if you die. There is a cost for value protection and the more you choose to protect, the more it reduces the income payments if you choose to take it
- The lump sum payable reduces by the income you have received from your plan (before any tax is deducted) before you die, so if you've been paid more than the amount you choose to protect, nothing will be paid
- The maximum value you can choose to protect is equal to the amount you paid to buy the annuity. You can choose any other value such as half the amount you paid
- You cannot choose value protection if you have already asked for a guaranteed period to apply, or any type of dependant's payment

Value protection – simple example

You buy an annuity for £100,000 that pays you £5,000 a year.

You decide to 'value protect' 50% of it = **£50,000**
If you die after 5 years you would have received **£25,000** in payments
In this case, your beneficiaries would receive **£25,000**

£50,000 amount of value protection chosen
£25,000 minus the amount paid out over 5 years

£25,000 the amount paid to beneficiary(s)

Payment increases

You have a number of options to choose from. Remember, you don't have to take any options and can choose to take an income that stays the same and stops when you die. However, you should be aware that if you do not take any of the options on offer, what your payments will buy in future years is likely to be less.

You can choose to have your payments stay the same or increase. If you have chosen to have an income paid to any dependant when you die, this income will increase in the same way.

You can choose from three options. You can ask for your payments to increase:

- automatically each year by a fixed percentage, up to a maximum of 10.0% (in steps of 0.01%), or
- in line with the Retail Prices Index (RPI). If the yearly change in RPI is negative (goes down), your payments would not increase or decrease, or
- in line with a Limited Prices Index (LPI). This follows a similar approach to the RPI but increases are limited to 5% a year

As with the other options, there is a cost for adding payment increases, the higher the increases, the more it reduces the income payments you receive.

Do you offer different types of annuity rates?

We offer standard annuity rates and enhanced annuity rates. Enhanced rates are available for common lifestyle health risks, like: high blood pressure, diabetes or smoking, as well as more serious medical conditions. It's usually best to share your health details with us as it is likely to result in a higher income payment for you if you have any health issues.

When we say 'enhanced rates', we mean higher payment rates. Payment levels are linked to 'life expectancy'. The shorter your life expectancy, the higher your income payment is likely to be.

4.4 What choices will I have about how payments are made to me?

You can choose how often you wish to receive your annuity. This can be:

- every month
- every three months
- every six months, or
- once a year

Also, you can choose to be paid in advance or arrears, for example:

- if you choose once a year in advance from 1 January 2023, then your first payment will be made on 1 January 2023 and covers the period 1 January 2023 to 31 December 2023, or
- if your annuity is paid once a year in arrears from 1 January 2023, then your first payment will be made on 1 January 2024 and covers the period 1 January 2023 to 31 December 2023

Take time to choose the frequency that best suits your income payment needs. You can ask for quotes that will show the difference in income between the frequencies chosen.

You will receive the payments directly into your bank or building society account.

> Remember, once you make your choice on payment frequency and date, you cannot change your decision later.

4.5 Will I have to attend a medical examination?

- You will not normally need to attend a medical examination. We may ask you (or your dependant, if relevant) to complete a health questionnaire. We may also ask your doctor for a medical report
- We may need to ask your permission to approach your doctor or ask you to carry out a medical test to confirm that the information you've provided is correct. If the information provided by you is incomplete or inaccurate, or if a request for a medical test or permission to approach your doctor is refused, this may result in a reduction of the payments we make to you and/or the recovery of any payments already made
- It's your responsibility to provide us with accurate information about your health and lifestyle

4.6 What happens to my annuity when I die?

Your annuity will stop when you die unless you have chosen one or more of the following options:

You chose a dependant's income

- If you chose a dependant's income, payments will be made to your spouse or civil partner and/or dependant if you die before them. (If the annuity set up is not for your spouse or civil partner then we need to check that the person is still financially dependent on you when you die. If your circumstances have changed and the person is no longer financially dependent on you, the dependant's income won't be payable)

You chose a guaranteed period

- If you chose the annuity to be guaranteed for a fixed period – up to 30 years. This means that if you die within the guarantee period, any remaining payments up to the end of this period will be made to your spouse, civil partner and/or dependant(s), or to your estate

You chose value protection

- If you chose this option, a lump sum may be payable to your estate or your dependant, less the income you've already received

5. Will I have to pay tax on my annuity?

Think of your annuity income in the same way as salary when it comes to income tax. Your annuity will be treated as earned income and may be taxable. You will not have to pay national insurance on it though. The government will tell us if we need to deduct income tax by advising us of your tax code.

If income tax is payable, you'll be taxed at your marginal rate of income tax, which depends on your individual circumstances and where you live in the UK.

If payments continue after you die they may be subject to inheritance tax. If you die before age 75, income payments will normally be income tax free.

If you're under age 75 when you die, any value protection lump sum paid will be tax free provided that these are below your individual Lump Sum Death Benefit Allowance.

Any lump sums in excess of your individual Lump Sum Death Benefit Allowance will be subject to tax at each beneficiary's marginal rate.

If you die when you are age 75 or older, any lump sum death benefits paid will be subject to tax at each beneficiary's marginal rate.

Any lump sum paid to your estate will be subject to basic rate income tax, if this is paid after 2 years it will be subject to the special lump sum death benefit charge.

What are the Lump Sum Allowances?

There are usually no restrictions on how much pension income you can receive. However, there are circumstances in which tax may be payable. You can find out more about the changes to the Lifetime Allowance at **www.standardlife.co.uk/retirement/guides/pension-lifetime-allowance**.

Laws and tax rules may change in the future. Your own circumstances and where you live in the UK will also have an impact on tax treatment.

Remember, you can get help with understanding taxation from Pension Wise. See page 3 for contact details. You can also contact your financial adviser if you have one.

6. Our charges

We include all our expenses for running your plan when we work out how much your annuity income will be. No charges will be taken from your income.

Any commission to be paid to your adviser is taken into account when your annuity is calculated and will be shown on your personal quote.

If you have requested we pay any adviser charge from your pension plan, this will be shown on your personal quote.

7. Other important questions

Can I change my mind and cancel the annuity?

You have the right to cancel your plan

i. at any time before your plan starts; or

ii. up to 30 days from the date you receive confirmation from us of your plan **start date**.

If you choose to take a **tax-free lump sum**, or **tax free cash**, and this has not been paid by us or another provider, we can return your pension pot(s) back to the transferring scheme if you gain the provider's agreement that they are willing to accept it.

If we, or another provider, have already paid you a **tax-free lump sum**, or **tax free cash**, this cannot be returned and you must use your remaining pension pot to provide yourself with a pension income. You can buy a product that can provide a pension income, either with us or with another provider. You will need to do this within six months of your **tax-free lump sum**, or **tax free cash** being paid, or it will become subject to tax charges.

To cancel this plan after it has started, you must:

- within the 30 days, give us notice you wish to cancel this plan. You can do this **in writing** or by telephone. Our contact details are at the front of this document. A cancellation notice can be found with your **Income payment schedule**.
- return any income we've paid from this plan; and
- if you received a **tax-free lump sum**, or **tax free cash**, obtain agreement from an insurance company or pension provider to receive the remaining pension fund.

If we have been instructed to deduct an adviser charge from the payment that we receive, this will be shown in your **Income payment schedule** and will be paid to the financial adviser named in your **application**.

If you have asked us to pay an adviser charge and this has already been paid, it will not be refunded. If you believe that you are entitled to a refund of the adviser charge, you should contact them for this.

8. Other information

If you need to complain

If you wish to complain, please write to us at the address shown in 'How to contact us' on page 12.

If you're not satisfied with our response, you may be able to complain to:

The Financial Ombudsman Service
Exchange Tower
Harbour exchange Square
London E14 9SR

Phone: 0800 023 4567

Online: **financial-ombudsman.org.uk/contact-us**

Complaining to the Ombudsman won't affect your legal rights.

Terms and conditions

This document gives you a summary of the key features of Standard Life's Pension Annuity. It doesn't include all the definitions, exclusions, terms and conditions. You can find these in your Terms and Conditions and Income Payment Schedule which we sent you along with these key features. For a copy of these documents, please ask your financial adviser or contact us using the details in section 9.

Law

In legal disputes, the law of England will apply.

Language

We'll use the English language in all our documents and correspondence.

Compensation

The Financial Services Compensation Scheme (FSCS), established under the Financial Services and Markets Act 2000, has been set up to provide protection to consumers if authorised financial services firms are unable, or likely to be unable, to meet claims against them.

Your contract is classed as a long-term contract of insurance. You will be eligible for compensation under the FSCS if Phoenix Life Limited (PLL) becomes unable to meet its claims and the cover is 100% of the value of your claim.

For further information on the compensation available under the FSCS please check their website **fscs.org.uk** or call the FSCS on 0800 678 1100. Please note only compensation queries should be directed to the FSCS.

If you have any further questions, you can speak to your financial adviser or contact us directly.

You can also find more information at: **phoenixlife.co.uk/about-phoenix-life/financial-services-compensation-scheme**

Solvency and financial condition report (SFCR)

The Solvency II directive is a European (EU) directive for insurance companies. Among the requirements are that companies produce a publication of an SFCR, to assist policyholders and other stakeholders to understand the capital position under Solvency II. Further information and details of the report can be found at: **thephoenixgroup.com/investor-relations/results-reports-and-presentations**

9. How to contact us

If you have any questions, or you simply want to find out more, then call us on:

0808 164 0164. Call charges will vary.
If you are calling from overseas, please call (+44) 01952 524444

Email: annuitysupport@standardlife.com
There is no guarantee that any email sent to us will be received, or will not have been tampered with. You should not send personal details by email.

Write to us:
Standard Life
PO Box 826
Telford
TF7 9HX

Please see page 2 for ways in which you can can contact us if you have special accessability needs.

10. About Standard Life

At Standard Life, we've been helping customers for nearly two hundred years.
Our product range includes pensions, investments and equity release.

Phoenix Life Limited (trading as Standard Life) is on the Financial Services Register.
The registration number is 110418.

11. Glossary

Annuity (plan)	You can use your pension pot to get a lifelong, regular income (also known as a 'lifetime annuity') to provide you with a guarantee that the income will last as long as you live.
Guaranteed payment period	Annuities may include a guarantee which means that the income is paid for a minimum number of years, even if you die.
Annuity rates	The rates that determine the amount of income an annuity provides, typically for each £100 or £1,000 of fund value. Annuity rates offered by different providers vary and change regularly.
Beneficiary (beneficiaries)	A person or persons entitled to receive money/benefits from a policy or from a deceased person's estate. A 'nominated' beneficiary is a person who is named in a policy or a person's will to receive benefits.
Dependant	An individual who is financially dependant on another person.
Dependant's income	Some guaranteed incomes can provide an ongoing income for a nominated dependant should you die. These plans (known as 'dependant's annuities') provide a slightly lower income initially but payment will continue to your dependant after you die or for a guaranteed period.
Enhanced annuity (enhanced guaranteed income)	If you smoke, have high blood pressure, are on prescribed medication or have a medical condition, you may be eligible for an 'enhanced' guaranteed income (also known as an 'impaired', 'lifestyle' or 'underwritten' annuity). These tend to pay a higher amount of income on the basis that your life is expected to be shorter and so the income will not be paying out for as long.
Financial Conduct Authority (FCA)	An independant body that regulates the financial services industry within the UK. Visit the FCA's website at **fca.org.uk**
Inflation	The increase in the general level of prices of goods and services meaning that the same amount of money will buy less in the future than it does today.
Life expectancy	How long a person is expected to live.
Limited Prices Index (LPI)	LPI follows a similar approach to the Retail Prices Index but increases are 'limited to 5% a year.
Retail Prices Index (RPI)	RPI is a measure of inflation, which in turn is the rate at which prices for goods and services are rising.

standardlife.co.uk

Phoenix Life Limited, trading as Standard Life, is registered in England and Wales (1016269) at 1 Wythall Green Way, Wythall, Birmingham, B47 6WG.

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