PHOENIX WEALTH

KEY FEATURES OF THE PERSONAL PENSION

RETIREMENT

keyfacts®

For changes to existing policies only – closed to new members from 10 November 2008

Important Information

The Financial Conduct Authority (FCA) is a financial services regulator. It requires us, Phoenix Life Limited, to give you this important information to help you to decide whether The Personal Pension 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.

The date we produced this document is shown on the last page. If you are not sure if you have the latest version contact your financial adviser.

You need to be comfortable that you understand the benefits and risks of this Policy. The purpose of this document is to help you to make an informed decision.

However, it doesn't include all the definitions, exclusions, and terms and conditions. We include these in Policy Provisions.

You must get financial advice before the Policy commences. After the Policy has commenced we may also require that you get financial advice for certain transactions.

Please read this document with the enclosed illustration.

For more information

Throughout this document we make reference to a number of additional documents which contain more detailed information about the risks and features of this product. The titles of these documents appear in **bold** type. You can ask your financial adviser or call us on 0345 129 9993 for copies.

CONTENTS

IMPORTANT INFORMATION

What is The Personal Pension?

The Personal Pension is a long term investment designed to allow you to build up your retirement fund.

Should you consider The Personal Pension?

The Personal Pension is only available to existing Policy holders.

If your employer offers any other pension plans, you should consider them first before deciding to invest in The Personal Pension.

Its aims

- To help you build up a sum of money in a tax efficient way which can be used for the provision of income when you take benefits, or if you prefer a reduced level of income and a tax-free lump sum.
- To allow you to provide a lump sum and/or income for a beneficiary (such as your wife, husband, registered civil partner) on the event of your death. If you choose to do this, it may mean you receive a lower initial level of income.

Your commitment

- To make regular and/or one-off contributions or transfers into the Policy. There is no minimum contribution.
- To understand that your money remains invested until you decide to take your benefits. You cannot normally take these benefits before age 55.
- To tell us if you stop being eligible for tax relief on your contributions. For example, if the sum of all your pension contributions in a tax year is greater than your earnings for that tax year.
- To tell us if you stop using or change your financial adviser.

Risks

Many things could happen throughout the life of your Policy. The value of your investment can fall as well as rise, is not guaranteed and could be less than the money paid in. It is important to consider this if you are close to taking benefits.

General Risks

The level of benefits you could get back may be less than shown in your illustration if, for example:

- charges have been higher than assumed
- you and/or your employer have stopped paying into your Policy or there has been a break in contributions paid
- if the growth of the selected fund(s) does not cover the Policy charges, then this will reduce the value of the investment
- tax rules change. The tax information provided in this document is based on our interpretation of current tax legislation which is subject to change and your individual circumstances
- annuity rates may be lower when you retire and rates can change over time, fluctuating up and down. Therefore annuity rates applicable at retirement may be lower than those illustrated.

Investments

The value of your investment is denominated in British pounds. If you invest in a fund, shares or other assets that are denominated in a different currency, there is an additional risk that your investment could lose value because of changes in exchange rates between the different currencies.

Some of the funds in which you can invest may carry additional risks because of the types of asset they may hold. For instance, where a fund invests in emerging markets, the investment may not be regulated as strictly as in the UK and the assets held may be harder to sell. There may be a delay in accessing your money if you invest in funds holding assets that might take longer to sell, for example property. If Phoenix Wealth Pension Funds invest in underlying funds their unit price will fall or rise depending on whether the underlying fund is selling or buying assets.

Included within the range of Funds available are funds operated by other life insurance companies. In the event that any of these other life insurance companies failed to meet their obligations in relation to the Fund, arrangements are in place to enable us to recover your investment. If we are unable to fully recover your investment, the value of your units would be reduced to the amount we are able to recover.

There are other risks which could affect the performance of the funds that you invest in. For a more detailed explanation of specific types of investment risks please speak to your financial adviser.

If you are transferring to The Personal Pension there are other risks to be aware of. Please see the section 'Can I transfer money in from another pension scheme?' on page 7 for more details.

Taking benefits

Taking benefits before the nominated benefit date you chose when you joined the Scheme may lead to a shortfall in the projected value of the fund and/or income in the future.

By taking income (drawdown) or an Uncrystallised Funds Pension Lump Sum (UFPLS) from your pension fund, together with any charges, you are reducing the value of your pension fund and potential for future growth – particularly if you take high levels of income/ UFPLS and/or investment returns are poor. The value of the fund could fall below the amount originally placed in drawdown and could even run out sooner than illustrated.

Taking high levels of income though drawdown, or high levels of lump sums through UFPLS, could be unsustainable and could exhaust the fund. With capped drawdown the maximum income that can be taken must be regularly reviewed and may reduce over time, particularly if a high level of income is being taken.

Withdrawing your entire pension fund as a lump sum through drawdown or UFPLS will fully encash your pension meaning your Policy will not be able to provide you with any further retirement income.

If you take UFPLS this could also impact any protected tax-free cash lump-sum that you may have.

Tax treatments are subject to change and individual circumstances. You will be taxed at your marginal rate when taking an income. Taking high income and/or lump sums may mean you will pay more tax, and could cause you to enter a higher tax bracket.

Taking money from your pension savings may affect your means tested benefits. This may result in the loss or reduction of other benefits. If you are unsure, you should get advice.

The value of investments may fall as well as rise and is not guaranteed. This means:

- if the investment growth does not cover the charges and any income the value of the investment will reduce
- the value of your benefits could be lower than the amount we have illustrated if the investment performance is lower than assumed.

You can find more information about the pension benefit options on page 9.

QUESTIONS AND ANSWERS

Is this a Stakeholder Pension?

The Personal Pension is not a Stakeholder Pension.

Where a Stakeholder Pension is available it may meet your needs at least as well as this Policy. You should discuss this with your financial adviser.

Can I change my mind?

Yes. If you make certain changes to your Policy (e.g. make a transfer payment in, or start drawdown for the first time, we will issue a welcome pack accepting your instructions. This will include a cancellation reminder and you will have 30 days in which to change your mind.

If you do change your mind and wish to cancel, you should write to us, quoting your Policy number. Please see the address details on the back cover.

If you do not exercise your right to cancel within 30 days your Policy will continue in accordance with the **Policy Provisions**. Any decision to transfer your benefits at a later date will mean your Policy will be subject to charges as shown in your **Illustration** up to the date of transfer.

If you cancel within the 30 day cancellation period, any new regular contributions you have paid will be returned to you. If you have increased your regular contribution, the amount of the increase will be returned to you. For any single contributions or transfer payments received, you may get back less than you invested if your investment has fallen in value before we receive your cancellation notice. If the value of any investments has increased between investing your contributions and receiving your notice to cancel the relevant instruction, the sum refunded will be the original value of your contributions.

Any adviser charges we have taken from your Policy and paid to your financial adviser, up to the point we receive your notice to cancel the relevant instruction, will be refunded in full. Your financial adviser will be responsible for paying back to us any payments we have made to them. You may still be liable to pay your financial adviser for the advice or services you have received, and you will need to discuss with your financial adviser how these will be settled. Any contributions made by a third party, such as a family member, will be returned to that third party.

If you are exercising your right to cancel a transfer into the Policy from another Registered Pension Scheme, the original transferring scheme is under no obligation to accept a return of the transfer payment, in which case you will need to find an alternative provider to transfer the payment to.

For any transfer from a defined benefits arrangement (e.g. final salary scheme), we will apply for the transfer value during the cancellation period of 30 days. However, we will ask the transferring scheme not to send the transfer value until the cancellation period has expired.

If you cancel a request to start taking drawdown, you must return any tax-free lump sum along with any income payments we have made to you. We will then wait for instructions from your financial adviser as to how to proceed.

What are the charges?

The Illustration you have been given shows the charges for your Policy. Charges are taken by us to pay for the cost of setting up the Policy, fund management and the administration of your Policy. The Illustration also shows how charges reduce the potential for growth over the term shown.

The Personal Pension allows you to choose from a range of investment and income options. Our charges vary in line with the funds you select and any other options you choose throughout the life of your Policy.

All charges expressed as a monetary amount (including any qualifying threshold amounts) may be increased annually, in line with the Average Weekly Earnings Index (AWEI), or other suitable index, normally on 1 July. If charges increase, for any reason other than an AWEI increase, we will endeavour to give you at least 30 days' notice of this change.

Investment charges vary depending on the funds you invest in throughout the life of your Policy.

We do not impose penalties for early retirement, varying contributions or transferring to another provider. However if you transfer, you might incur a charge from the receiving scheme.

Adviser charges

You will also need to agree with your financial adviser any charges for any further advice and services they are to provide you in relation to your Policy, and how these will be paid.

You can either pay your adviser directly or through the money you invest in your Policy. Details of the types of payments that can be made through your Policy can be found in the **Charges** leaflet. If you decide to pay through your Policy, details of the amounts paid to your financial adviser will be confirmed in your **Illustration**.

You can ask us at any time to stop paying your financial adviser through your Policy, but you will be responsible for settling any outstanding charges directly with them.

Changes to charges

There are a number of circumstances that could lead to an increase in the charges, such as tax rule, legislative or regulatory changes, or staff and overhead costs (which are reasonable in amount and reasonably incurred) being higher than we expect. In some cases the costs of using 'third parties' could be more than we expected. A third party is any party which is not Phoenix Life Limited. If any of this happens, and increases are outside the normal expectation set by us (i.e. not in line with earnings increases), we will write to let you know.

Any proposed changes to adviser charges will need to be agreed separately between you and your adviser. Where you have agreed for adviser charges to be paid through your Policy, it will be your responsibility to notify us of any change to the adviser charges that you have agreed with your adviser.

A full explanation of all applicable charges is shown in the **Charges** leaflet. You should ensure you understand what these charges are and what you have agreed to pay. Charges for this Policy are likely to be higher than for a Stakeholder Pension.

MAKING CONTRIBUTIONS AND TRANSFER PAYMENTS

What contributions can I make?

How much you can pay in depends on how much you earn and how much you have paid into this and other pension plans in the same tax year. Regular annual and monthly contributions must be paid by direct debit.

Your employer and/or third party can also make contributions to your Policy. There is no limit on the contributions that can be made by your employer, but there is a limit on personal contributions (those paid by you or others on your behalf). If you are a non-earner the most you can pay into your Policy is £3,600 a year. The Policy will only accept personal contributions that are eligible for tax relief. You can find more information about contributions eligible for tax relief in our **Tax and your Pension** leaflet.

Single contributions must be made by cheque or by bank transfer from an account in the name of the payer. Contributions can't be made on or after your 75th birthday.

Each new contribution source may attract its own specific charges. Like the initial investment, the additional investment's value can also fall and rise and is not guaranteed.

Can I stop, vary or restart contributions?

Yes, you can stop making or vary the amount of contributions at any time. You should note that fewer and/or reduced contributions will reduce the fund available at retirement. Although the Policy continues to stay invested, any charges (including, if applicable, adviser payments) will continue to be deducted from your Policy. If you've not held your Policy for long, or its value is small, the ongoing charges may significantly reduce the future value of the fund and there is a possibility the deduction of charges may reduce the value of your Policy to zero.

You can restart contributions provided you are still eligible to do so.

You can request an **Illustration** showing the effects of varying, stopping or restarting your contributions at any time. You can speak to your financial adviser for more information.

Can I transfer money in from another pension scheme?

Yes. You can transfer pension funds into the Policy providing they are acceptable to us. You should note that your previous pension scheme or any alternative new arrangement, may offer valuable guarantees which this Policy can't match. You should speak to your financial adviser to find out the risks and potential benefits of transferring.

If you do transfer from another pension scheme you should be aware that:

- we require you to take financial advice before applying to transfer pension benefits to The Personal Pension from a defined benefits arrangement (e.g. final salary scheme), or certain other pension schemes
- we will not accept transfers against the advice of your adviser where the transfer is from a defined benefit scheme or a defined contribution scheme which has safeguarded benefits
- you should be aware that if you transfer you'll be out of the market until the transfer is complete. You won't lose out if the market falls but your money won't be subject to any income or growth if the market rises in this period
- the benefits you receive from the transfer could be less than those you would have received under your previous pension scheme
- if you are joining or have recently joined a new company who offers a pension scheme, you may be better off transferring the value of any existing pension schemes into that scheme
- if you decide to cancel the transfer it may not be possible to get the transfer value back to the original pension scheme
- if you are aged 75 or over and transfer in from another pension scheme you will not be able to make additional contributions to the Policy.

MAKING INVESTMENTS

Where can I invest?

Please see the **Fund List** for details of the funds available.

Through this Policy you can invest in one or a number of investment funds. These funds invest in different types of assets, which tend to fall into four main categories:

- Money Market
- Fixed Interest
- Property
- Equity (Shares).

The **Individual Pension Plans Fund list** can give you further information.

What are units and unit-linked funds?

The funds you can invest in through this Policy are unit-linked funds. A unit-linked fund is where your money is pooled together with other investors' money and used to buy units in an investment fund. An investment fund is divided into equal units. The number of units you receive will depend on how much you invest and the price of the units at the time you buy them.

To determine the value of your holding in the fund, multiply the unit price by the number of units held. The value of your holding in the fund can go down as well as up and is not guaranteed which means that the benefits you receive could be less than shown in your **Illustration** and could be less than the amount paid in.

The valuation method we use for the pricing of units can change from time to time. If we do change the unit pricing method this could result in a lower unit price (e.g. on property funds potentially by around 7-8%). You can find more information in our **Fund Dealing Guide**.

Can I switch between funds?

Yes. You can switch between funds free of charge.

We reserve the right to impose restrictions on the number of switches that can be made in any 12 month period, you can refer to your **Policy Provisions** for more information.

How will I know how my Policy is doing?

We will send you a statement each year showing the contributions made and the current value of your Policy.

Your financial adviser may also be able to obtain these details online at any time during the year.

You can also contact us to request a statement at any time using the details on the back cover.

Can I transfer my Policy to another provider?

You may transfer your Policy's value to another Registered Pension Scheme or Qualifying Recognised Overseas Pension Scheme with either another provider or a new employer. You should seek financial advice before considering any transfer.

If you have agreed to pay adviser charges through your Policy, any outstanding payments will not be made. You will need to agree with your financial adviser how these charges must be settled.

TAKING BENEFITS

You have different options when it comes to taking benefits. You should speak to your financial adviser for help in deciding which one suits you best. This is important as 'shopping around' with other pension providers could help you obtain products that are more appropriate for your needs and circumstances and may offer a higher pension income or lower charges.

MoneyHelper publish a consumer factsheet, 'Your pension – your choices', which is available on their website, www.moneyhelper.org.uk. You can also refer to Pension Wise, a service from MoneyHelper. This is a government backed service available to anyone over the age of 50. Pension Wise is free and provides impartial guidance about pension choices. You can contact Pension Wise via their website, www.moneyhelper.org.uk/pensionwise or by telephone, 0800 138 3944.

When can I take benefits?

You can take benefits from your Policy at any time from your 55th birthday onwards. It may be possible to take the benefits earlier than this in the event of ill-health or for protected pension ages. You do not have to stop working to take benefits.

How can I take benefits?

You can use part or all of your pension fund to take benefits.

Of the part used, normally up to 25% is payable immediately as a tax-free lump sum and the remaining 75% of the amount used placed in drawdown or used to purchase of an annuity.

Once the funds are placed into drawdown, you can take as little or as much as you want at any time while it remains invested. You could, for example, take the whole fund as a one-off amount or make regular withdrawals from your fund over many years.

Through drawdown, any fund not immediately taken as income will remain invested in your chosen funds within the scheme which means there is a risk involved due to market movements. As such the value of your fund could fall as well as rise and is not guaranteed.

A lifetime annuity is a product that will give you a guaranteed regular income for as long as you live. The amount of the annuity payable will depend upon the type of annuity purchased, the provider selected and your health. Annuity providers may apply a minimum fund size for taking such business.

Both drawdown and annuity payments are taxable as income. You will pay tax on the income based on your personal tax circumstances at the time it is paid.

Any regular payments set up under a drawdown option can be amended at any time, but once purchased an annuity income cannot be amended.

You can also use all or part of your pension fund to take a lump sum, through an Uncrystallised Funds Pension Lump Sum (UFPLS). The first 25% of the amount taken will be tax-free and the remaining 75% is payable as taxable income at the same time.

Any part of your pension fund not taken will remain invested in your chosen funds within the scheme which means there is a risk involved due to market movements. As such the value of your remaining fund could fall as well as rise and is not guaranteed.

We recommend that you review your pension arrangements (including the level of income or UFPLS you are taking) regularly to make sure they remain sustainable and suitable for your needs and circumstances.

You are advised to speak to your financial adviser to assess what is most appropriate for you.

Can I transfer to another provider?

You can transfer your pension fund to another Registered Pension Scheme. Other Registered Pension Schemes may allow additional retirement options and you should speak to your financial adviser to assess whether this is appropriate for you.

Are there any guarantees?

The Personal Pension does not offer any guarantees however some retirement products, such as annuities, do.

What happens when I die?

We will use the full value of your fund to provide a lump sum or income for your beneficiaries.

There is more information about providing death benefits in the **Death benefits option** form.

When we receive written notification of your death, payment of any adviser charges from your Policy will stop. Any outstanding payments that are due to your financial adviser may still need to be settled. Your personal representatives will be able to authorise a one-off ad hoc adviser charge to be paid from your Policy by writing to us.

TAX

The following tax information is based on our interpretation of current UK law and HM Revenue & Customs (the ‘HMRC’) practice. This is subject to change and your individual circumstances. You should not treat it as legal advice or rely on it as a statement of law. We cover all of these tax issues in more detail in our **Tax and your pension** leaflet.

Does money paid into my Policy receive tax relief?

You are normally entitled to tax relief on the contributions you make.

If you pay tax above the basic rate, you can claim further tax relief. You can do this through your self-assessment tax return, or, if you don’t complete a return, you can contact HMRC.

You will not receive tax relief for either transfer payments or employer contributions.

You may be subject to a tax charge if the total amount paid into all your pension plans, together with the increase in the value of certain types of pension benefits exceeds either of:

- the annual allowance
- the lower money purchase annual allowance applicable where you have taken certain retirement benefits.

Are there any tax implications while my money is invested?

Any growth in the value of the money in the investment funds you choose is free of UK taxes on capital gains and investment income as long as it remains invested.

If any fund holds overseas investments then they may be subject to the tax rules in that country. The tax will be charged to the appropriate fund.

What about tax when I take my benefits?

The amount of tax due will depend on how you take benefits and your own personal circumstances.

HMRC also sets a limit for the total amount of benefits you can take. This is called the Lifetime Allowance. If the total value of all your pension funds when you take your benefits is above the Lifetime Allowance, the excess may be subject to income tax. For further information, please visit **www.moneyhelper.org.uk**.

What about tax when I die?

There are a number of options for you to distribute your fund. You should read the **Death benefit option** form for more information.

The uncrystallised value of your policy will also be measured against your remaining lifetime allowance. If it exceeds the lifetime allowance limit, we will notify HMRC of any excess benefits and any recipients may be subject to PAYE tax at their marginal rate.

You can give us death benefit instructions, and change them, at any time. However, there are tax implications you should consider. You should discuss this with the financial adviser before giving us any instructions.

FURTHER INFORMATION

Your status

Phoenix Life Limited (PLL) will treat you as a retail client. This means that you may have the highest degree of protection available under the FCA rules. This includes access to complaints and compensation procedures. However you will not be covered for wrong advice unless this product was personally recommended to you by a financial adviser authorised by the FCA.

How to complain

If you are not satisfied with any aspect of the service that you have received from us, please contact us using any of the methods detailed on the back page. Information regarding our formal complaints procedure is also available from the same contact points.

Complaints that we cannot settle may be referred to the Financial Ombudsman Service at:

Exchange Tower,
Harbour Exchange Square,
London,
E14 9SR

Phone: 0800 0234 567

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

Website: **www.financial-ombudsman.org.uk**

Making a complaint will not affect your right to take legal proceedings.

Compensation

Your plan is covered by the Financial Services Compensation Scheme (FSCS). This means if we are unable to pay claims/benefits because of financial difficulties you may be able to make a claim.

FSCS

Check with us what protection the Financial Services Compensation Scheme offers you

www.fscs.org.uk

PLL, as an insurer, is covered by the FSCS in respect of long term insurance business, which includes life assurance and pensions. Therefore You may be entitled to compensation from the FSCS if We cannot meet Our obligations under the Plan. The FSCS covers 100% of any eligible insurance claim with no upper limit.

For further information see www.fscs.org.uk or telephone 0800 678 1100.

Law and language

This plan is governed by the law of England and Wales. Your contract will be in English. We'll always write and speak to you in English.

Visual impairment

If you would like this information in large print, in braille or audio, please call 0345 129 9993.

Unit linked principles and practices

If you would like more information about the principles and practices that Phoenix Wealth applies in the management and operation of all its unit linked funds, we recommend you refer to our **Unit Linked Principles and Practices** document. Please visit our website **phoenixwealth.co.uk**.

If you don't have access to the internet, or would prefer a paper copy, please call us on 0345 129 9993 and we'll be happy to send one to you.

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FINANCIAL ADVISER

For more information about The Personal Pension and the options available to you, please speak to your financial adviser.

Please note that financial advisers use a variety of different ways to charge you for their services and you will be liable for any charges incurred. Please ask your financial adviser for full details of these charges.

If you do not have a financial adviser and would like to speak to one in your area, you can visit **unbiased.co.uk**.

CONTACT US

If you want more information about The Personal Pension please:

Call us on **0345 129 9993**

Available 8.30am – 5.30pm, Monday to Friday. As part of our commitment to quality service and security, telephone calls may be recorded.

Email us at **customerservices@phoenixwealth.co.uk**

Please be aware that emails are not secure as they can be intercepted, so think carefully before sharing personal or confidential information in this way.

Visit us here **phoenixwealth.co.uk**

Address

Phoenix Wealth, Unit Linked Life & Pensions, PO Box 1393, Peterborough, PE2 2TP

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