PHOENIX WEALTH

KEY FEATURES OF THE EXECUTIVE PENSION

RETIREMENT

keyfacts®

For changes to existing policies only – closed to new members from 25 July 2012

Important Information

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

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 the 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** and **The Executive Pension Endorsement**.

You must get financial advice before you make any decisions relating to this Policy.

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 the financial adviser or call us on 0345 129 9993 for copies.

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IMPORTANT INFORMATION

This document is directed at the trustees in the first instance but also holds important information for both the employer and employee. All references to 'you' mean the trustees. The employee is referred to as the 'member'.

What is The Executive Pension?

It is a pension Policy written in the member's name within a company pension scheme, which is set-up by the member's employer and registered with HM Revenue & Customs (HMRC) under the Finance Act 2004.

The member's employer has arranged the pension Policy and may determine how much is paid in and the normal retirement age relevant to their membership of the company pension scheme.

It is established under trust and run by you as the trustees. Each member will build up their own retirement fund which the member must use to provide them with benefits.

Who should consider The Executive Pension?

The Executive Pension is no longer available to new investors, but it is still available to those with an existing Policy.

The member should consider this Policy if they want to invest for their retirement. They must be an employee over the age of 18 and their employer must be willing to set up a Policy under The Executive Pension for their benefit. The member needs to be prepared to keep their funds invested until they are eligible to take benefits and be able to afford the payments due, now and in the future.

Its aims

- To enable the member and their employer to build up a pension fund under a company pension scheme, which can be used for the provision of income when they take benefits, or if they prefer a reduced level of income and a tax-free lump sum.
- To allow the member to provide a lump sum and/or income for a beneficiary (such as their wife, husband, registered civil partner) on the event of their death. This is subject to the rules of the company pension scheme and could result in the member receiving a lower initial level of income.

The member's commitment

- To arrange with their employer how much will be paid into the Policy.
- To make the payments they have agreed with their employer.
- To review with their employer the amount being paid each year to make sure the intended levels of benefits are likely to be achieved.
- To abide by the scheme's rules.
- To understand that their money remains invested until they decide to take their benefits. Members cannot normally take these benefits before age 55 (rising to 57 from 6 April 2028).

The employer's commitment

- To appoint the trustees of the pension scheme, and to ensure the trustees comply with any requirements or obligations.
- To decide with the member, how much will be paid into the Policy.
- To make the payments agreed with the member to the Policy.
- To review the amount being paid each year to make sure the intended levels of benefits are likely to be achieved.
- To keep us up to date with changes in the scheme's membership.
- To abide by the scheme's rules.
- To tell us if you or the member stop using or change the financial adviser.

Risks

Many things could happen throughout the life of the Policy. The value of the member's 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 the member is close to taking benefits.

General Risks

The level of benefits the member could get back may be less than shown in the Illustration if, for example:

- charges have been higher than assumed
- the member and/or the employer have stopped paying into the Policy or there has been a break in contributions paid
- the member stops working for the employer earlier than their illustrated retirement age, and therefore all contributions must stop at the date of leaving service. If the member has less than two years' service, their contributions may be refunded and they would not receive the benefit of any employer contributions
- 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
- 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 the member's individual circumstances.

Investments

The value of the investment is denominated in British pounds. If the member invests in a fund that holds assets that are denominated in a different currency, there is an additional risk that the investment could lose value because of changes in exchange rates between the different currencies.

If the member is transferring to The Executive Pension from another registered pension scheme there are other risks to be aware of. Please see the 'Can money be transferred in from another registered pension scheme or qualifying recognised overseas pension scheme?' section on page 7.

Some of the Phoenix Wealth Pension Funds in which the member 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.

Or there may be a delay in accessing the member's money if they invest in funds holding assets that might take longer to sell, for example property. Or because 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 the member's investment. If we are unable to fully recover the investment, the value of the 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 they invest in. For a more detailed explanation of specific types of investment risks please speak to the financial adviser.

Taking benefits

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

By taking income from their pension fund, together with any charges, they are reducing the value of their pension fund and potential for future growth – particularly if you take high levels of income 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 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 their entire pension fund as a lump sum through drawdown will fully encash their pension meaning their Policy will not be able to provide them with any further retirement income.

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

Taking money from their pension savings may affect their means tested benefits. This may result in the loss or reduction of other benefits. If they are unsure, they 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 the member's benefits could be lower than the amount we have illustrated if the investment performance is lower than assumed.

QUESTIONS AND ANSWERS

Is this a stakeholder pension?

The Executive Pension is not a Stakeholder Pension.

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

Can members change their minds?

Members of the Policy have no right to cancel the Policy or any instructions that have been given in relation to the Policy.

Can trustees change their minds?

Yes. If you decide to make certain changes to the Policy (e.g. make a transfer payment in, or start drawdown for the first time), we will issue a welcome pack confirming acceptance. 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 the Policy number. Please see the address details on the back page.

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

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

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

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 final salary (defined benefit) 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 the member cancels a request to start taking benefits, they must return any pension cash lump sum along with any income payments we have made to them. We will then wait for instructions from the financial adviser as to how to proceed.

What are the charges?

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

This Policy allows the member to choose from a range of investment and income options. Our charges vary in line with their chosen funds and any other options featured in the Policy which they select. Please see the **Individual Pension Plans Fund List** and **Charges** leaflet for more information.

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 stated above, we will endeavour to give you at least 30 days notice of this change.

Investment charges vary depending on the funds the member invests in throughout the life of the Policy.

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

Adviser charges

You and/or the member (as applicable) will also need to agree with the financial adviser any charges for any further advice and services they are to provide to you and/or the member in relation to the Policy, and how these will be paid.

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

You can ask us at any time to stop paying the financial adviser through the Policy, but you and/or the member (as applicable) 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 you to let you know.

Any proposed changes to adviser charges will need to be agreed separately between you and/or the member (as applicable) and the financial adviser. Where you have agreed for adviser charges to be paid through the Policy, it will be your responsibility to notify us of any change to the adviser charges that has been agreed with the financial 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 payments can be made?

How much can be paid in depends on how much the member earns and how much has been paid into this and other pension policies in their name in the same tax year. Single contributions can be made at any time, as well as regular monthly or yearly contributions. Contributions cannot be made on or after the member's 75th birthday.

All contributions, (including the member's personal contributions), will be made through the employer's payroll. All contributions must therefore stop if the member leaves the employer's service.

We do not impose a minimum contribution level for this Policy, although the employer may do so as a condition of scheme membership.

Each type of contribution (i.e. regular, one-off single or transfer payment) may attract its own specific charges. Like the initial investment, any additional investment's value can also fall and rise and is not guaranteed.

If the member requires more information on making contributions to the company pension scheme, they should speak to the employer.

Please note that all contributions must be made on a gross basis, including any member contributions paid directly to the Policy.

Can contributions be stopped or varied?

Yes, contributions can be stopped or the amount varied 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 the Policy. If you've not held the Policy for long, or its value is small, the ongoing adviser payments and charges may significantly reduce the future value of the fund and there is a possibility the deduction of adviser payments and charges may reduce the value of the Policy to zero.

Can contributions be restarted?

Contributions to the Policy can be restarted at any time, provided the member is still eligible to do so (including still being in service and having the employer's agreement to any contributions they wish to make).

As long as the scheme has not been wound up, the employer can restart payments at any time provided the member is still eligible. Any missed contributions may also be paid.

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

Can money be transferred in from another registered pension scheme or qualifying recognised overseas pension scheme?

Yes, although you must agree to accept any transfer value.

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.

If the member is transferring from another registered pension scheme, particularly a final salary (defined benefit) or other company pension scheme, their retirement benefits might be lower than they would have received if they had remained in the previous pension scheme. In particular they may be too close to retirement to achieve sufficient growth for this Policy to provide greater benefits. The member may also be giving up guaranteed benefits that this Policy cannot match. If they transfer, they will lose those guarantees. If the member transfers as cash, they'll be out of the market until the transfer is complete - they won't lose out if the market falls but their money won't be subject to any investment growth if the market rises in this period. Furthermore, if they decide to cancel the transfer, they might not be allowed to transfer back into their previous pension scheme.

MAKING INVESTMENTS

Where can I invest?

Please see the **Individual Pension Plans 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
- Shares.

Please see the **Individual Pension Plans Fund List** for 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 the money is pooled together with other investors 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 is invested and the price of the units at the time they are bought.

To determine the value of the member's holding in the fund, multiply the unit price by the number of units held. The value of the holding in the fund can go down as well as up and is not guaranteed which means that the benefits the member receives could be less than shown in the 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?

You can switch between funds. At present there is no charge to switch funds however we have the right to impose a charge in the future in accordance with section 3.3 'Fund Switches' in the **Policy Provisions**. We also reserve the right to refuse, delay or limit the switching of funds. Further details of the restrictions can be found in the **Policy Provisions**.

How will I know how the policy is doing?

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

The 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 page.

Can the policy be transferred to another provider?

The member may transfer the Policy's value to another Registered Pension Scheme or Qualifying Recognised Overseas Pension Scheme with either another provider or a new employer (providing they are willing to accept it). They should seek financial advice before considering any transfer.

Please be aware that:

- the receiving scheme may apply charges
- there is no requirement for any new employer to contribute to the Policy
- in the case of a new employer's scheme, fund choice may be restricted
- there is no requirement for an employer to contribute if a new provider is chosen
- if you and/or the member have agreed to pay adviser charges through the Policy, any outstanding payments will not be made. You and/or the member (as applicable) will need to agree with the financial adviser how these charges must be settled.

TAKING BENEFITS

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

MoneyHelper gives you more information about the types of support available at www.moneyhelper.org.uk/types-of-support-and-guidance. They also publish a consumer factsheet, 'How to take your Pension'.

One option available is 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 phone, 0800 011 3797.

When can the member take benefits?

They can take benefits from their pension fund at any time from their 55th (57th from 6 April 2028) birthday onwards. It may be possible to take the benefits earlier than this in the event of ill-health or for protected pension ages. They do not have to stop working to take benefits.

How can the member take benefits?

Normally up to 25% of your fund can be taken immediately as a tax-free lump sum with the remaining 75% placed in drawdown or used to purchase an annuity.

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

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

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

Both drawdown and annuity payments are taxable as income. They will pay tax on the income based on their 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 can't be amended.

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

Can the member transfer to another provider?

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

If they have agreed to pay adviser charges through their Policy, any outstanding payments will not be made. They will need to agree with their financial adviser how these charges will be settled.

Are there any guarantees?

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

What happens when the member dies?

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

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

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

For more details about the pension benefit options available to you please read the **Pension benefits guide** available at **phoenixwealth.co.uk**.

TAX

The following tax information is based on our interpretation of current UK law and HMRC practice. This is subject to change and the member's 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 the policy receive tax relief?

The employer will, with the member's agreement, pay their personal contributions to us from their salary before the deduction of income tax.

They will receive the full amount of tax relief on their contributions automatically as the employer deducts their contribution before deducting tax from their salary.

If they are transferring money from another pension policy into this one they will not receive any tax relief on the transfer amount as this money will already have benefited from tax relief.

They may be subject to a tax charge if the total amount paid into all their 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 their money is invested?

The growth in the value of the money in the investment funds chosen 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 they take their benefits?

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

HMRC also sets a limit, called the lump sum allowance (LSA), which is the maximum amount of benefits they can normally take as a tax-free lump sum from all of their pension savings.

Each time they take benefits, we look at the amount of tax-free cash they have taken from all of their pensions to see if they exceed their LSA. Any excess will potentially be subject to tax. For further information, please visit **www.moneyhelper.org.uk**.

What about tax when they die?

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

The maximum amount of benefits they or their beneficiaries can take from all their pension schemes as a tax-free lump sum is called the lump sum death benefit allowance (LSDBA).

It applies when they take a Pension Commencement Lump Sum (PCLS) and to the tax-free part of an Uncrystallised Funds Pension Lump Sum (UFPLS). It also applies to serious ill-health lump sums paid before they reach age 75, and lump sum death benefits if they die before reaching age 75.

If the LSDBA is exceeded, the excess may be subject to tax at the recipient's marginal rate. However, any death benefits taken as pension income will be tax free and aren't considered against the LSDBA.

The member can give you 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. A copy of any death benefit nomination provided to you should be forwarded to us as well.

FURTHER INFORMATION

Your status

Phoenix Life Limited 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.

Law and language

This policy 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.

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 policy 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.



Phoenix Life Limited, 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 policy. 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.

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/home.**

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.

FINANCIAL ADVISER

For more information about The Executive Pension and the options available to the member, please speak to the financial adviser.

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 a 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 Executive Pension please:

Call us on **0345 129 9993**

Available 8.30am – 5.30pm, Monday, Tuesday, Thursday and Friday. And from 9.30am – 5.30pm on Wednesday. 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

Phoenix Life Limited, trading as Phoenix Wealth, is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Phoenix Life Limited is registered in England and Wales No. 1016269 and has its registered office at: 10 Brindleyplace, Birmingham, B1 2JB.

PH_EPP0001 | October 2026