

KEY FEATURES OF THE LIFETIME ANNUITY

RETIREMENT

keyfacts®

Important Information

The Financial Conduct Authority is a financial services regulator. It requires us, Phoenix Life Limited, to give you this important information to help you to decide whether a Lifetime Annuity 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 when this document was produced is shown at the end of the document. If you are not sure if you have the most up-to-date version, please contact your financial adviser.

Please read this document with the enclosed quote. Where relevant information is contained in other documents these will be signposted at the appropriate point. You need to be comfortable that you understand the benefits and risks of this annuity before deciding whether to invest.

The purpose of this document is to help you to make an informed decision. However, you are required to seek professional financial advice before you make any decisions about this annuity.

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.

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IMPORTANT INFORMATION

What is the Lifetime Annuity?

A lifetime annuity is a product that provides an income guaranteed to be paid for the rest of an annuitant's life. It can also provide a guaranteed income on the death of the annuitant to their dependant, if this option is selected at the outset.

You can buy an annuity with a provider of your choice but should you choose Phoenix Wealth to provide the annuity it will be provided through the Lifetime Annuity.

Should you consider the Lifetime Annuity?

You can consider purchasing the Lifetime Annuity if you are currently a member of an Phoenix Wealth pension plan and you wish to start receiving an annuity income.

You must normally be aged 55 or over to purchase an annuity. In the event of ill-health or incapacity, or for protected pension ages, it may be possible to purchase an annuity earlier than this.

If you are a spouse, civil partner or another financial dependant of a recently deceased member of an Phoenix Wealth pension plan, and there is an option to use the pension plan to provide an annuity, you can also consider a Dependant's Lifetime Annuity. You should note that not all of the options described under 'What are the annuity options?' on page 4 are available to you.

Its aims

To pay you a guaranteed income for the rest of your life, and that of your spouse, civil partner or dependant, if selected at the outset of the annuity.

Your commitment

Once you have purchased an annuity from us, and the 30 day cancellation period has elapsed, you will not be able to change the income options selected or move your annuity to another provider. Therefore, you need to make sure that the product and options you select are the right ones for you.

Risks

Many things could happen to change the estimated benefits shown on the enclosed quote.

- The annuity rates may change before your annuity is purchased if you do not submit your application and provide all requested information before the expiry of the rate guarantee period.
- the value of your pension fund may change before the purchase of your annuity.

As a result of the above you could get a smaller income than that illustrated.

You should also note that:

- you may be able to secure a higher income with another insurance company (please see the 'Where else can I buy an annuity?' section on page 5)
- tax treatment is subject to change and individual circumstances
- once we start to pay your income, and your 30 day cancellation period has expired, you cannot change your mind even if your personal circumstances change
- if you choose a level annuity it is not protected against inflation
- if you do not choose a guarantee option then your payments will stop on your death even if this is shortly after your annuity has started
- if you select a dependant's annuity your income will be lower and if your dependant dies before you there will be no adjustment to your income to take account of this and
- if you do not select a dependant's annuity any surviving dependant will not receive an income from this annuity, although if you selected a guarantee period, and die within that period, your payments will continue to the end of that period, paid out in line with the instructions of your estate.

QUESTIONS AND ANSWERS

Can I change my mind?

Yes, once we have set up your annuity we will issue a cancellation notice. You will have 30 days from receipt of this in which to change your mind.

If you do change your mind and wish to cancel, you should complete the cancellation notice form. Alternatively you can write to us quoting your annuity plan number. Any annuity payments you have received, including any applicable tax-free lump sum, should be returned to us along with your request to cancel. Please see the address details on the back page.

If you choose to cancel your annuity, your pension plan will usually be reinstated after we have received the cancellation notice and any payments due.

If you do not exercise your right to cancel within 30 days your annuity will continue in accordance with the **Policy Document** and **Terms & Conditions**. Once the annuity is in force and the cancellation period has passed you will not be able to change or cancel it.

What are the charges?

The quote you have been given shows the annuity income you could receive. Any costs we incur for setting up and administering your annuity have been incorporated into the annuity rate used to calculate your annuity income.

Can I take a tax-free lump sum?

You can use your entire pension fund to buy an annuity or you may be able to take part of it as a tax-free lump sum, if you have not done so already, and use the remainder to purchase an annuity. You must take any tax-free lump sum at the same time as you start to take your annuity income. If a tax-free lump sum is available it will be shown in your quote.

What are the annuity options?

You have a number of options for your annuity benefits. You select these at the outset and once your options are chosen they cannot be changed. It may be possible to combine more than one option. Please speak to your financial adviser who will be able to recommend the most appropriate option for your needs.

Level annuity

You can choose an annuity that will provide you with the same level of income throughout your life. Your income will initially be higher than if you had selected an escalating level of income but it will not increase to help offset the effects of inflation in the future.

Escalating annuity - fixed rate

You can choose an annuity which will increase each year by a fixed rate. The amount of income you will receive will initially be lower than you would receive for a level annuity.

Therefore, it may take many years to reach the same level of income as a level annuity. The maximum fixed rate is 8.5% and you can choose any percentage in whole percentage points up to this limit.

Guaranteed minimum period

Your annuity will pay you an income for as long as you live. However, you can choose to have it paid for a guaranteed minimum period of between 1 to 10 years (in whole years). If you die within this period, we will continue to pay your income to your estate or any other person you specify for the rest of this period. If you choose this option, your income will start at a lower level than without the guaranteed option.

This option is not available under the Dependant's Lifetime Annuity.

You could combine an income which has a guaranteed minimum period with an income payable to your dependant on your death. In this case you need to choose whether their income starts on your death (known as 'with overlap'), or when the guarantee period ends (known as 'without overlap'). If you choose 'with overlap' your starting level of income will be lower than 'without overlap'.

Dependant's pension

You can choose an annuity which pays an income to your spouse, registered civil partner or a financial dependant if you die before they do. We would pay this income to them for the rest of their life. The amount they'll get can be set at any level you want up to a maximum of your own income. Income payments will stop on the death of the dependant. If the dependant dies before you, this benefit is lost and will not be payable on your death.

As with an escalating income or guaranteed minimum period, choosing this option will reduce your starting level of income.

This option is not available under the Dependant's Lifetime Annuity.

If you want Phoenix Wealth to pay an income to your surviving spouse or registered civil partner, you can choose for it to be paid to:

- the person you're married to or in a civil partnership with when you buy the Lifetime Annuity. If you later remarry or enter into a registered civil partnership with someone else, they will not be entitled to your income. This is known as 'named' basis or
- the person you're married to or in a registered civil partnership with when you die, even if they were not your dependant when you bought the Lifetime Annuity. This is known as 'any' basis.

Choosing an 'any' basis will give you a lower income than if you select a 'named' basis.

If you want an income to be paid to a financial dependant then you must name them when you buy the Lifetime Annuity. They will need to be able to prove they were financially dependent on you at the time of your death.

We will not pay an income to any type of dependant other than those we've described here.

For further details please see the **Policy Document** and **Terms & Conditions** which are available on request.

A quote showing possible benefits is enclosed with this document.

Dependant's Lifetime Annuity

You might be a spouse or registered civil partner of a member of an Phoenix Wealth pension plan. If the member dies before taking retirement benefits or while taking income withdrawals, one of the options could be to provide you with an annuity. This is known as a Dependant's Lifetime Annuity.

You will not be able to select a guaranteed minimum period or provide any further benefits to a dependant in the event of your death.

Please note that the deceased's pension fund does not have to be used to purchase an income and you should seek financial advice before making any decision.

A quote showing possible benefits is enclosed with this document.

Where else can I buy an annuity?

You do not have to purchase your annuity from Phoenix Wealth. You also have the option of buying your annuity with an insurance company of your choice. This is known as the 'Open Market Option'.

You should carefully consider this option because annuity rates vary significantly from company to company. You could dramatically increase your annuity income by shopping around for the best deal for you and your circumstances. For example, some insurance companies will give you a higher income if you have or have had any medical conditions or meet certain lifestyle conditions such as being a smoker. This is a very important decision and we strongly recommend that you speak to your adviser or contact Pension Wise.

The Money Advice Service publish a consumer factsheet, 'Your pension: it's time to choose' which is available from their website, www.moneyadvice.service.org.uk.

What should I do if I want to see other illustrations?

If you would like a quote for a different annuity option please contact us using the details on the back page or contact your financial adviser.

How do I start this annuity?

If you want to choose the benefits shown in the quote you must complete the application form and send it to us along with any required documentation before the end date shown on the quote. Once the 30 day cancellation period has ended and the benefits start you cannot change your mind.

How is my annuity income paid?

We will pay the annuity income directly to you after deducting any tax due, see the 'How is my annuity income taxed?'. Guarantees and any increases apply to your annuity before tax.

We normally pay annuities by direct credit to your bank or building society account.

You can choose to receive your annuity income on an annual, half yearly, quarterly or monthly basis provided each income payment is at least £50.

We can pay your income in advance (at the start of the payment period) or in arrears (at the end of the payment period). An income payable in arrears will be greater than one payable in advance but you will have to wait before you receive your first payment.

If you choose to have your payments made in arrears, you must decide if you would like a final payment to be made to cover the period between your last payment and your death. This is called a 'proportionate' payment or 'with proportion'. Selecting 'with proportion' will result in a lower income than if you select 'without proportion'.

How are increases calculated?

A fixed increase is an annual compound increase on the anniversary of when you bought the annuity by a pre-agreed fixed percentage.

How is my annuity administered?

We will use a third party to pay your annuity income and administer your annuity. You will receive correspondence from that third party on our behalf. Your details will not be used by the third party for any other purpose other than to administer the annuity.

How is my annuity income taxed?

Annuities are currently taxed through the PAYE system as pension income. The amount of tax paid on the income will depend on your income tax rate at the time the annuity is paid.

This is based on tax rules and these could change in the future. If the Government increases the rate(s) of tax on income from pension annuities then the amount you receive will go down. Tax treatment depends on individual circumstances.

FURTHER INFORMATION

Your status

Phoenix Wealth will treat you as a retail client. This means that you have the highest degree of protection available under the Prudential Regulation Authority and the Financial Conduct Authority 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 Financial Conduct Authority.

Policy Provisions

This document gives you a summary of the Lifetime Annuity. It does not include all the definitions, exclusions, and terms and conditions. These are shown in the **Policy Document** and **Terms & Conditions**. If you don't already have a copy you can ask your financial adviser or contact us.

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.

How to complain

If you are not satisfied with any aspect of the service that you have received from us, you can 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 023 4567

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 annuity is covered by the Financial Services Compensation Scheme (FSCS). This means that if we are unable to pay claims/benefits because of financial difficulties you may be able to make a claim. You are covered for 100% of the claim, without any upper limit. For further information please see www.fscs.org.uk or telephone 0207 741 4100.



Visual impairment

Large Text, Braille and Audio Tape versions are available on request.

FINANCIAL ADVISER

For more information about the Lifetime Annuity 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 Lifetime Annuity 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**

Write to us

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