Standard Life

Master Trust and Trust Based Pension Own Trust – Statement of Target Market

General Description

Our Trust Based Pension (Own Trust or Master Trust) is a flexible workplace pension arrangement, selected by or on behalf of employers. It allows employees to save and benefit from their employer payments, and invest these in a wide range of funds.

Trust Based Pension (TBP) provides the following key features:

- A tax efficient way for employees to save for retirement;
- For employees to provide benefits for their beneficiaries on death;

It is suitable for employers who want to meet their responsibilities under the Auto Enrolment (A-E) legislation. Where the customers employer is making a contribution, which they must do within schemes being used for A-E purposes, it will only be in exceptional circumstance that a workplace product wouldn't be suitable, e.g. employee is very close to retirement and by receiving employer contributions for a short period of time would result in a small increase in post-retirement income which resulted in the individual receiving less income over all due to a loss in state benefits.

Customer Objectives

The product is flexible and is designed to meet customers' needs over the full pensions saving lifecycle:

- Accumulation of wealth – benefiting from tax efficient savings and tax free growth;
- Preservation of existing wealth – within a tax beneficial environment;
- Passing on of wealth to beneficiaries or dependants – taking full advantage of the current tax regulations.

Customers will also be able to access their benefits normally from age 55, under the regulations, usually by transferring to another product.

Remember the value of a fund can go down as well as up and your client may get back less than they paid in.

Tax and legislation may change. The information here is based on our understanding as at October 2018. Your client's circumstances will have an impact on what tax they pay.

Who is it suitable for?

- An employed individual. Note that a plan may be set up for an individual who is not employed or self-employed as it is being used to secure their pension benefits from another scheme which is being transferred into this product.
- A resident of the UK. Note that an individual also needs to be a relevant individual for UK tax purpose (residency and tax status are different) if they are to receive tax relief on their own contributions. This is not an issue for employer contributions.
- A non UK resident but one that is classified as a seconded worker, under The Occupational Pension Schemes (Cross-border Activities) Regulations 2005.

- Employees who are receiving an employer contribution, or if they don't (i.e. are in a non AE qualifying scheme) can pay and maintain a contribution themselves.
- Employees who may want to make one off contributions or transfer existing pension arrangements to consolidate their pension savings.
- Employees, who want the flexibility to change, stop and start contributions, within the rules of scheme.
- Employees who want the ability to access a range of insurance fund based investment solutions, including access to a Default solution's within the charge cap.

Who is it not suitable for?

- A self employed individual.
- A non UK resident and one that doesn't meet the definition of a seconded worker, under **The Occupational Pension Schemes (Cross-border Activities) Regulations 2005**
- An employee who doesn't have long to save and/or can only make limited payments, and have little or no savings provision for retirement.
- An employee who is likely to achieve only a low fund level from all pension savings, and may benefit from the government's pension credit.
- An employee who only wants savings that allow immediate access to their money before age 55.
- Employees who want to save for retirement in pension investment vehicles other than insured pension funds.
- Employees who don't receive an employer contribution and can't pay and maintain a substantial contribution themselves.
- Employees who want financial advice and want to fund this via an adviser charge.

Investment choice and range

Investment choice and range within these products is set by the scheme trustee. The trustee can only choose investment solutions provided within our insured fund universe. For large schemes we will consider requests for bespoke investment solutions which may require us launching brand new funds and or creating blended funds which make use of existing investment solutions within our insured fund universe.

We would normally expect trustees to offer a range of solutions from within our insured fund universe rather than just one fund or all 300 plus funds. However this is at the trustees discretion.

Where the scheme is being used for Auto Enrolment purposes a default fund must be provided by the scheme trustee and this must be charge capped at 75 bps. The product fully supports this requirement.

The members can switch between insured funds subject to any restrictions placed on this activity by the scheme trustees and Standard Life's standard dealing rules and processes.

Distribution Channel

The products are primarily distributed via Employee Benefit Consultancies or Large Corporate focussed financial advisers.

In some circumstances trustees or employers may come directly to Standard Life or via a firm which provides procurement only services.

Generally the scheme members are not advised and join the schemes on an auto enrolled basis.

It should also be noted that for these products the contracts are between Standard Life Assurance Limited and the scheme trustees and not the scheme members, who are beneficiaries of the policy.