keyfacts®

Standard Life

Trust Based Pension Plan

Key Features

**This is an important document.
Please read it and keep for future reference.**

The Financial Conduct Authority is a financial services regulator. It requires us, Standard Life, to give you, the scheme trustees, this important information to help you to decide whether our Trust Based Pension Plan 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.

Where we refer to 'Standard Life' in this document, we mean Standard Life Assurance Limited.

Helping you decide

This key features document will give you information on the main features, benefits and risks of the Trust Based Pension Plan.

In addition to this document, you can request a key features illustration which will show examples of what members may get in the future. If applicable, both of these documents should be read together.

We will always be happy to answer any of your questions or give you more information but we can't give you financial advice. Our contact details can be found on page 16.

1. Its aims

To provide members with a tax-efficient way to save for retirement.

To build up a sum of money that will provide members with a guaranteed income for life (annuity), or a tax-free lump sum and a smaller annuity when they retire.

Please note, not all of the retirement options from age 55 (subject to change in the future) are available from within this product. The full range of options can however be accessed by transferring to another product. Further information can be found on page 7.

2. Your commitment

To allow members:

- to make any regular payments that they may be required to make into their plan, usually until their normal retirement date
- to remain invested in the plan until they choose to take their benefits
- to tell us if members' circumstances change and they are no longer eligible to be an active member of the plan.

3. Risks

This section is designed to tell you about the key product risks to be aware of at different stages of the plan.

At the start of the plan

Employees may be automatically enrolled into this plan by their employer. If this happens, their employer will let them know. Otherwise, they'll be invited to join the plan by their employer. This plan may not be suitable for all employees, particularly where small amounts of pension savings might affect entitlement to means-tested state benefits.

If a member transfers benefits from another pension scheme, there is no guarantee that what they'll get back from the plan will be higher, they may be worth less than what was paid in. Members may also be giving up certain rights in their other pension scheme that they'll not have with this plan.

Members will need to take advice if they are thinking about transferring a pension plan worth more than £30,000 if it offers any form of income guarantee (for example, a final salary pension). This is to ensure that they understand how much money they could lose.

Transferring other pension plans will not be right for everyone. You need to consider all the facts and decide if it is right for the members.

Investment

The plan may invest in different types of investment, including investments based on stocks and shares, which carry different levels of risk. The value of the plan can go down as well as up and may be worth less than what was paid in.

There are also risks involved in relying on the performance of investments within a single asset class, rather than spreading the investments over a variety of asset classes.

If the member is automatically enrolled into the plan and does not make their own investment decision, payments will be invested in the fund(s) or a lifestyle profile chosen by the scheme trustees. Members should be advised which fund(s) or lifestyle profile has been chosen.

There are other investment risks to be aware of. These include:

- Some funds invest in overseas assets. This means that exchange rates and the political and economic situation in other countries can significantly affect the value of these funds. Investments may be worth less than what was paid in.
- Members may transfer or switch their investments, but sometimes in exceptional circumstances, we may wait before we carry out a request to transfer or switch out of a fund. This is to maintain fairness between those remaining in and those leaving the fund. This delay could be for up to a month. But for some funds, the delay could be longer:
  - it may be for up to six months if it's a fund that invests in property, because property and land can take longer to sell
  - if our fund invests in an external fund, the delay could be longer if the rules of the external fund allow this.

If we have to delay a transfer or switch, we'll use the fund prices on the day the transaction takes place – these prices could be very different from the prices on the day the request was made.

- Some funds invest in funds managed by external fund managers. In these cases, the description of the fund is provided by the external fund manager so Standard Life can't guarantee that it's accurate.

  External fund managers are in charge of managing their own funds including what they invest in. This means that Standard Life is not responsible for these funds' performance or continued availability.

  The investment performance of the Standard Life version of a fund will be different from what you would see if you invested in the underlying fund directly. There can be several differences, due to charges, cash management, tax and the timing of investing.

For further information about the investments available to the plan and the risks involved, speak to your usual Standard Life contact.

Taking retirement benefits

What members get back when they retire isn't guaranteed. Their benefits may be lower than illustrated. This could happen for a number of reasons, for example if:

- they stop paying into their pension plan, or take a payment break
- payments into the plan are lower than illustrated
- the performance of the fund(s) chosen is lower than illustrated
- the cost of buying an annuity (guaranteed income for life) when they retire is higher than illustrated, for example due to interest rates being lower and/or people living longer
- tax rules and legislation change
- plan charges increase above those illustrated
- their annuity is bought at a different age from the age used in the illustration
- any commission charges are taken for financial advice.

4. Questions and answers

What is a Trust Based Pension Plan?

It is a trustee administered, flexible group pension plan that allows members to save for their retirement in a tax-efficient way.

Who can pay into the plan?

Employers may make payments to the plan.

A member can make regular payments to the plan usually until their normal retirement date. A member's regular payments will be paid to Standard Life by the employer.

Who can join?

Employees who meet the eligibility requirements to join the plan which are set out in the scheme rules.

4.1 How much can be paid into the plan each year?

Regular payments are made as a percentage of a member's earnings or as a flat amount. If made as a percentage, this may increase at predetermined dates based on their age and/or length of service. Any increases are determined by the employer, not Standard Life.

A member and the employer can usually increase the level of regular payments at any time. Please refer to the 'What about tax?' section on page 8.

The employer may be able to reduce their payments or stop them at any time after consulting with the members and trustees. This will reduce the members' future benefits.

Some employers may allow members to make Additional Voluntary Contributions (AVCs) to the plan. AVCs may be made as a percentage of a member's earnings or as a flat amount.

The member and/or employer can also make single payments.

If the employer agrees, a member may also be able to stop making payments at any time, or take a contribution break and restart later if they are still eligible. Alternatively, a member can reduce their payments to a lower level, as long as the employer agrees to the reduction. This will reduce future benefits. Where the scheme is being used as a Qualifying Workplace Pension Scheme, minimum contribution levels may apply. We strongly recommend that members talk to their employer or their financial adviser before a final decision is made.

If a member has any other pension plans, they may be able to transfer their value into this plan, but there is no guarantee that they will increase their total benefits by doing so. If they are considering making a transfer, we recommend that they talk to a financial adviser, to understand how much money they could lose by transferring, and members will have to seek advice if considering transferring any defined or safeguarded benefits, for example a final salary pension. There's likely to be a cost for any advice.

4.2 What are the investment choices?

Standard Life offers a wide range of investment-linked funds for trustees to choose from. This includes a range of externally managed funds.

100% of each contribution is invested. All funds are made up of 'units' and we allocate each member a number of units that represents their investment in the chosen fund(s).

The price to buy or sell one unit in each of our investment-linked funds depends on the value of investments that make up the fund. The member's plan value is based on the total number of units they have in each fund. If the unit prices rise or fall, so will their plan value.

Each member can only invest in a maximum of three lifestyle profiles at any one time.

As well as offering these funds, we offer investment options called lifestyle profiles. Lifestyle profiles automatically change the funds members are invested in based on how long they have got until their selected retirement date. As members get closer to retirement, the investment aims of the profile move away from growth and towards preparing their pension plan for their selected retirement date.

Members should make sure that any lifestyle profile they choose matches how they're planning to take their retirement benefits. It's also important for them to consider when they'll take their retirement benefits as lifestyle profiles make changes to their investments based on their selected retirement date.

Members can choose to combine investment in a lifestyle profile with investment in other funds, if the trustees make this option available to them. However, a member cannot invest in a fund if they're also invested in a lifestyle profile that includes that fund.

Where the trustees make more than one lifestyle profile available, members can only invest in one lifestyle profile for each contribution source. For example, members' regular payments cannot be invested in more than one lifestyle profile.

However, the employer's regular payments can be invested in the same lifestyle profile or a different lifestyle profile to the members' regular payments (where this option is available).

For more information on lifestyle profiles or our funds, please speak to your usual Standard Life contact.

If the member is automatically enrolled into the plan and does not make their own investment decision, payments will be invested in the fund(s) or a lifestyle profile chosen by the scheme trustees. Members should be advised which fund(s) or lifestyle profile has been chosen.

Please see the investment risk section on page 2 for more details.

4.3 What benefits can members take at retirement?

The final plan value will depend on:

- how much is paid in
- how long the payments are invested for
- the performance of the fund(s)
- charges (see 'What are the charges?' on page 10)
- any charges or fees taken for financial advice.

The final plan value can be used to provide a tax-free lump sum and/or buy a guaranteed income for life (annuity).

It can be bought from us, another pension provider or registered pension scheme. The amount of annuity will depend on a number of factors at the time, for example:

- interest rates
- age and state of health of the member
- life expectancy rates
- the options chosen by the member, for example an annuity that increases in payment each year, or including an annuity for a dependant when they die).

What choices might members have when they retire?

The benefits payable are subject to scheme rules.

An individual's pension pot can provide one or more of the following benefits: a flexible income, guaranteed income for life and a cash lump sum. Up to 25% of their pension pot at retirement can normally be taken tax-free. This can be as a cash lump sum, flexible income or as a combination of both. Benefits bought with the remaining 75% of their pot will be taxed as income. However, not all options are available under this plan.
If you have any questions, call us on: **0345 60 60 039**. Call charges will vary.

Options at retirement will always depend on personal circumstances. If a member wants to access some of the more flexible options, they may need to move to a different pension product first. Transferring will not be right for everyone.

In the meantime, here's a quick summary of how it works.

Option 1: Flexible income (Drawdown)

Flexible income, also known as drawdown, gives the member freedom to choose their own level of income and the flexibility to suit their personal needs. If the member is considering this option there are a few things they need to think about.

Taking a flexible income may restrict how much they can pay into their pension plan in future.

As the pension pot, and any new payments they make into it, stays invested it has the potential to grow in value, tax-efficiently. However, there are no guarantees and they could lose money.

It's up to them to make sure their money lasts as long as it needs to, so they need to keep an eye on the amount they're withdrawing. However, they can still choose another option.

If the member dies, any balance left in their pension pot can be passed on. This is normally tax-free if they die before age 75.

Option 2: Guaranteed income for life (annuity)

An annuity is guaranteed income for life. It's easy to set up and won't need any further attention from then on. The member should be aware that the decision to purchase an annuity should be carefully considered, as it normally can't be changed in the future.

They don't need to use all of their pension pot to purchase a guaranteed income for life. The member could leave some cash invested to access with flexibility as and when they need it.

It's important that the member shop around to find the best deal for them. Remember that they don't have to buy their annuity from their current pension provider. Their current pension provider may not offer the option they want or other providers may be able to offer them a better deal. This could improve their retirement income as annuity options and rates may vary between providers.

So it's worth comparing what each provider can offer.

Whether the member is thinking about flexible or guaranteed income – they should take time to shop around for the best deal. They could transfer their pension plan to another provider and they might get better retirement benefits.

Option 3: Take cash from their pension plan

Members can now take their full retirement savings as cash. 25% is normally tax free but anything over this is taxed as regular income. If they choose this option, the member will need to plan how they will fund the rest of their retirement.

Combining options

Members can also combine retirement options.

Advice

We recommend you seek appropriate guidance or advice before you make any decisions. An adviser is likely to charge a fee for this.

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

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

Pension Wise

4.4 What about tax?

We give a short explanation about tax below. For more information, please read 'Information about tax relief, limits and your pension' (GEN658).

This can be found at **www.standardlife.co.uk/taxandpensions**, or phone us for a paper copy.

Tax relief on payments to the plan

Members' payments are deducted from salary before tax is calculated.

Members' payments up to 100% of their 'relevant UK earnings' each year normally qualify for tax relief at the highest rate of income tax paid by the member.

For most people 'relevant UK earnings' means the total earnings received by a member from their employer in a tax year (including any bonuses, commission or benefits in kind).

An employer can pay unlimited payments to the plan. If the total of the employer's and the member's payments exceeds HM Revenue & Customs' annual allowance then a tax charge will apply. Employer payments normally qualify as a business expense and are able to be offset against taxable profits.

An employer can decide to implement salary exchange for its employees. Salary exchange allows an employee to give up an amount of their gross salary. In return, the employer agrees to pay that amount into their company pension on their behalf.

HM Revenue & Customs has an Annual Allowance for the total payments that a member, their employer and any third party can make to all their pension plans (excluding transfer payments).

The member may have to pay a tax charge on any payments that exceed this limit. If the total payments to all their plans are less than the limit in one tax year, they may be able to carry forward the unused allowance for up to three tax years.

The funds you invest in are not liable for UK Capital Gains Tax.

Tax treatment for members taking benefits

Members can normally take some of their fund as a tax-free lump sum before they convert the plan into a pension.

HM Revenue & Customs has a Lifetime Allowance on the total funds in pension plans that can be used to provide benefits for members. Any funds over this allowance will be liable to a tax charge.

There are circumstances where the member may have a personal Lifetime Allowance that's higher, members should speak to a financial adviser for more details. There's likely to be a change for this.

A member's pension income will be taxed in the same way as earned income.

If a member dies before retirement a lump sum may be payable. Normally there is no tax to pay on any lump sum. Please refer to 'Information about tax relief, limits and your pension' (GEN658).

Laws and tax rules may change in the future. The information here is based on our understanding in October 2020. Each member's personal circumstances and where they live in the UK will also have an impact on tax treatment.

4.5 What are the charges?

Standard Life makes a charge for managing plan investments and administering the plan. For investment-linked funds this is known as the fund management charge (FMC) and is set as a percentage of the value of a member's funds. The FMC is shown as an annual rate. However, we deduct the charge from each fund on a daily basis, which has the effect of reducing its unit price. The FMC varies depending on the fund(s) invested in. For details of the charges on funds available to the plan, please speak to your usual Standard Life contact.

We can increase the charges we make for investment-linked funds. We may do so in the future if our costs or assumptions about costs are higher than originally expected. This might happen if, for example:

- tax rules change
- our staff or overhead costs are more than we expected
- our income from charges and deductions for costs is less than expected.

Additional expenses may be deducted from some funds. They include items such as custodian, third party administration, trustee, registrar, auditor and regulator fees. Where a fund invests in other underlying funds, they may also include the underlying management charges.

As the additional expenses relate to expenses incurred during the fund management process, they will regularly increase and decrease as a percentage of the fund, sometimes significantly.

The additional expenses figure shown is the annual rate of the charge. But where additional expenses apply, they are taken into account when the fund's unit price is calculated each day.

If a performance fee applies to a fund, it is included in the additional expenses figure retrospectively.

An annual member fee may apply. Where this charge applies, it is taken from the member's fund monthly through cancellation of units.

The fee will move each year in line with change in the Retail Prices Index.

Fund switches can be made at any time if permitted by the trustees. We do not normally make a charge for switching funds. However, we reserve the right to charge is a switch involves an external fund and the external fund manager charges us for the switch.

We will continue to take charges each year even if the member stops making payments. This could mean that if they stop making payments and don't restart them, our charges could reduce their plan value by the time they retire.

We may make discretionary adjustments to reflect costs incurred in managing a fund. For example, if the fund manager experiences a significant number of investors leaving the fund and needs to apply an adjustment to reflect the costs of selling assets.

The Government has set charge measures for schemes used for automatic enrolment and the charge a member pays for being invested in the fund(s) or lifestyle profile chosen by their employer cannot exceed 0.75% per year after the scheme discount has been applied.

If a member is invested in the fund(s) or lifestyle profile chosen by their employer and their charge exceeds the 0.75% charge cap, extra units will be created in their funds to ensure that the effect of the charges meets the charges requirements.

The effect of adding the extra units are not reflected in a member's illustrations since the payment of any extra units will vary throughout the term of the plan. This variation in any extra units payable occurs because the additional expenses on funds are likely to increase and decrease regularly, sometimes by a significant amount, and also, for investment in a lifestyle profile, the fund charges applied also vary as the investment moves between funds within the profile.

We regularly review our charges and may alter them to reflect changes in our overall costs, or assumptions. Any increases will be fair and reasonable.

For more information on charges, please speak to your usual Standard Life contact.

4.6 Other important questions

What happens to the plan if the member dies before they retire?

We will normally pay the plan value at the date of the member's death to the trustees, to be settled in accordance with the scheme rules.

What other options are available?

If a member leaves active membership of the scheme, no further payments can be accepted. Some schemes may allow members who have left active membership to rejoin. If the scheme is being used as a Qualifying Workplace Pension Scheme, some employees may be automatically re-enrolled by the employer. The plan will, however, remain invested until retirement unless the member requests a transfer to another registered pension scheme. In certain circumstances, when members leave pensionable service, a refund of their payments may be made.

If pensionable service began before 1 October 2015 then a refund may be possible if the member leaves with less than two years' pensionable service. However, if pensionable service began on or after 1 October 2015 then a refund may only be made if they leave with less than 30 days' pensionable service.

Can members cash in or transfer their plan?

Members cannot cash in their plan at any time, although they may be able to transfer their benefits into a new employer's pension plan or another registered pension scheme before they start taking a their retirement benefits. We make no transfer charge. Members should seek financial advice before transferring any benefits. There's likely to be a charge for this.

Can members cancel their plan?

If the plan counts as a Qualifying Workplace Pension Scheme, most members have 'opt out rights' for their regular payments.

The trustees are responsible for making sure members are told about their opt out rights. Members will be told what rights they have after they join the scheme.

How do opt out rights work?

Members have one month to decide if they want to remain a member. They will be advised when the one month opt out period starts and ends. During this period, if they decide they do not want to be a member they can opt out.

If a member opts out, their plan will be cancelled if the regular payments were the only payments made to it. Their employer will refund any regular payments already deducted from their salary and there will be no further regular payments from the member or their employer.

If a member makes a single payment or transfer payment, opt out rights will not apply to this payment.

What are the trustees' cancellation rights?

Trustees have a legal right to cancel the Trust Based Pension Plan within 30 days if they change their mind. This 30 day period starts from the date the Plan is set up. During this period, if a decision to cancel is made, write to us at the address below or call us on **0345 60 60 039**, instructing us to cancel the contract. Call charges will vary.

Standard Life Assurance Limited
Employer & Intermediary Services
Standard Life House
30 Lothian Road
Edinburgh
EH1 2DH

If the Plan is started with a single payment and is cancelled during the 30 day period, the amount returned may be less than the amount paid in. This is because we may make a deduction to reflect any market loss we have experienced between the date we received the payments and the date we received the instruction to cancel.

If the Plan is cancelled, and we have already received payments, we will refund the payments to the person who submitted them. If regular payments are increased in the future there is no right to cancel those increases.

At the end of the 30 day period the trustees will be bound by the terms and conditions of the Plan and any payments received by Standard Life will not be refundable under the cancellation rule.

How will members know how their plan is performing?

Members should regularly review their plan, and the level of payments being made, to make sure they're on track to meet their retirement goals.

Members may be able to register for our online services to see their plan details, including the current value.

Members should receive a yearly statement to show how their plan is performing. Unless told otherwise, Standard Life will do this on your behalf.

5. Other information

How to complain

We have a leaflet that summarises our complaint handling procedures. If you'd like a copy, please ask us.

If you ever need to complain, please phone us on **0345 60 60 039** (call charges will vary). If you are not satisfied with our response, you may be able to complain to:

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Telephone: **0800 023 4567**
Fax: 020 7964 1001

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

Complaining to the Ombudsman will not affect the individual's legal rights.

Terms and conditions

This Key Features Document gives a summary of Standard Life's Trust Based Pension Plan. It does not include all the definitions, exclusions, terms and conditions which are included in the policy provisions booklet. If you would like a copy of this, please ask your usual Standard Life contact.

We have the right to change some of the terms and conditions.

We will write to you with an explanation if this happens.

Law

In legal disputes the applicable law will usually be the law of the country where the trustees are based.

Language

The English language will be used in all documents and future correspondence.

Compensation

The Financial Services Compensation Scheme (FSCS) 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 plan is classed as a long-term contract of insurance. The trustees will be eligible for compensation under the FSCS if Standard Life Assurance Limited (SLAL) becomes unable to meet its claims and the cover is 100% of the value of their claim.

If your plan is invested in one of our funds that invests in a mutual fund run by another firm (including Standard Life Investments Limited), the trustees are not eligible for any compensation under the FSCS if that firm is unable to meet its claims. SLAL is not eligible to make a claim on the trustees behalf so the price of a unit in our fund will depend on the amount that we recover from the firm.

If your plan is invested in one of our funds that invests in a fund run by another insurer, the trustees are not eligible for any compensation under the FSCS if that insurer is unable to meet its claims. SLAL is not eligible to make a claim on the trustees behalf.

For further information on the compensation available under the FSCS please check their website **www.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 questions, you can speak to your financial adviser or contact us directly.

You can also find more information at **www.standardlife.co.uk/investor-protection**

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 a 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 **www.thephoenixgroup.com/investor-relations/solvency-and-financial-condition-report**

6. How to contact us

If you have any questions,
call us on: **0345 60 60 039**.
Call charges will vary.

Standard Life Assurance Limited
Employer & Intermediary Services
Standard Life House
30 Lothian Road
Edinburgh
EH1 2DH

7. About Standard Life

Standard Life Assurance Limited's product range includes pensions and investments.

Standard Life Assurance Limited is on the Financial Services Register. The registration number is 439567.

Standard Life Assurance Limited is registered in Scotland (SC286833) at Standard Life House, 30 Lothian Road, Edinburgh EH1 2DH.

Standard Life Assurance Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.
www.standardlife.co.uk