



Key Features of the Purchased Life Annuity

This document shows the main points about your annuity. Please read it with your Personal Example and keep them with your documents relating to your annuity. The Personal Example shows how the annuity would work for you.

The Financial Conduct Authority is the independent financial services regulator. It requires us, Canada Life Limited, to give you this important information to help you to decide whether our Purchased Life 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.



Purchased Life Annuity

A Purchased Life Annuity is a single premium policy that will provide you with a guaranteed income. This can be paid for a fixed period or for the rest of your life.

Its aims

- To provide you with a guaranteed income, before tax, for the whole of your life, or for a fixed period, for example 15 years.
- To give you the choice of providing an income for someone else after you die.
- To provide you with a range of options to suit your circumstances.

Your commitment

- You will pay a single premium to set up the policy.
- The premium can come from your own savings or from any tax free cash you draw from your pension savings.

Risks

- Once your policy is set up, you cannot change it or cash it in, even if your circumstances change.
- Inflation may reduce the spending power of your income, especially if you choose a fixed income that does not increase.
- The total income that we pay you may be less than the premium that we received to set up your policy. This could happen if you die shortly after the policy is set up.
- It is important you speak to your professional adviser about protecting your premium.
- Tax rates may change in the future. If you are a taxpayer and tax rates go up, the income we pay you after tax will be smaller.
- If you do not choose any of the death benefit options, no death benefit will be payable under this policy.

Questions and Answers

What optional features are available to me?

- You can choose to have your income increase by a fixed percentage of up to a maximum of 10% each year.
- Your income can be paid monthly, quarterly, half-yearly or yearly.
- You can choose your payment basis which can be either:
 - in advance, where the first income payment will be paid as soon as possible after the policy is set up; or
 - in arrears, so for example if you choose a monthly income the first payment will be paid one month after the policy starts.

Death benefits

- You can choose to have a joint life policy with someone else. This would normally be with your spouse or civil partner.
- If you have a joint life policy, you can choose to have your income payments continue at the same amount after you die, or reduced to a lower amount if either of you die and benefit from a higher initial income.
- You can choose to have a guaranteed period at the start of the policy, for example five years. This means that should you die within the guaranteed period, your income will continue to be paid until the guaranteed period ends.
- You can choose to have a lump sum paid when you die, which equals the premium paid (net of any adviser charge, less the income payments paid before tax). If you have a joint life policy, this would be paid after you have both died. The lump sum will be paid to your estate and will be subject to inheritance tax.

If you do not choose any of the death benefit options described above no death benefit will be payable under this policy.

Please note the more optional features you choose, the lower the income payments will be. Please ask your professional adviser for details.

Paying your professional adviser

- You can ask us to deduct an amount from the total premium to pay an initial charge to your professional adviser/intermediary.
- Where no financial advice has been provided we may be able to pay commission to your professional adviser/intermediary for administrative work carried out.
- Adviser charges or commission paid to your professional adviser/intermediary will be shown in your Personal Example.

What about tax?

The income payments we pay you under the policy are subject to UK income tax.

- In most cases HM Revenue & Customs (HMRC) allow us to treat part of each income payment that we pay to you as a return of the original premium. This part is called the capital element and will not be taxed. The capital element is shown in your Personal Example.
- The difference between the income payment and the capital element is taxable as savings income. We will deduct basic rate tax, currently at 20%, on this part of each income payment. Your Personal Example will show you the effect of this tax deduction.
- From 6 April 2016, a tax free personal savings allowance (PSA) was introduced for savings income paid to individuals. Basic rate taxpayers are able to receive up to £1,000 of PSA and higher rate taxpayers are able to receive £500 without tax being deducted. Additional rate taxpayers do not receive any PSA at all. If you are a higher or additional rate taxpayer and subject to higher or additional rate tax, further tax is payable.
- If you pay tax at less than the basic rate on your savings income, or pay no tax at all, you can reclaim the overpaid tax. If you pay no tax and you want to be paid gross then send us the completed HMRC form R89, or R86 for joint life policies. These forms can be found on the HMRC website www.hmrc.gov.uk
- If you choose an increasing income, your capital element will increase at the same rate as your income.
- If you buy the policy because of the terms of a will or settlement there is deemed to be no capital element and we will deduct tax on the total income.

We have based the information about tax on current law (as of July 2023), the law may change and the information depends on your own financial circumstances.

- You should ask your professional adviser for more details about tax.

Can I change my mind?

- You have the right to change your mind and cancel the policy under the cancellation rules in the Financial Conduct Authority Handbook within 30 days of receiving the document entitled 'Cancellation Form' from us.
- If you decide that you don't want the policy, you must let us know in writing within the above 30 day period. We will then give you your money back but you will have to repay any income we've already paid to you.
- If you have asked us to make any adviser charge payments to a professional adviser and we have made these payments then we will be unable to refund them to you.

Contact

You should contact your professional adviser in the first instance.

If you have any questions you can contact us in the following ways:

By Post

Retirement Servicing
Canada Life Limited
Canada Life Place
Potters Bar
Herts
EN6 5BA



Call Us

+44 (0) 345 6060708



By email

Customer.Services@canadalife.co.uk



Online

www.canadalife.co.uk



Further Information

How to complain

If you need to complain about any part of the service we have provided, please write to us at the address on the left.

If you are not happy with our response you can contact:

The Financial Ombudsman Service
Exchange Tower
London E14 9SR

Phone: 0800 023 4567 or 0300 1239 123
Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

Making a complaint will not affect your right to take legal action against us.

Compensation

We are covered by the Financial Services Compensation Scheme (FSCS). This is the UK's statutory fund of last resort for customers of authorised financial services firms, such as Canada Life Limited.

If you have a valid claim against us and we are not able to meet our responsibilities in full, you may be entitled to compensation from the FSCS. Currently the scheme covers up to 100% of the value of a valid claim.

For further information on the scheme you can get a copy of their leaflet by writing to the FSCS or by visiting their website.

Financial Services Compensation Scheme
PO Box 300
Mitcheldean GL17 1DY

Phone: 020 7741 4100 or 0800 678 1100
Email: enquiries@fscs.org.uk
Website: www.fscs.org.uk

Law

English law applies to your contract with us (see 'Terms and Conditions' below).

Solvency And Financial Condition Report

Our Solvency and Financial Condition Report is available on our website.

Terms and conditions

This document is a brief guide to the key features of the Purchased Life Annuity. You can read the full terms and conditions in the policy document which, together with the application form, makes the legally binding contract between you and us.



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