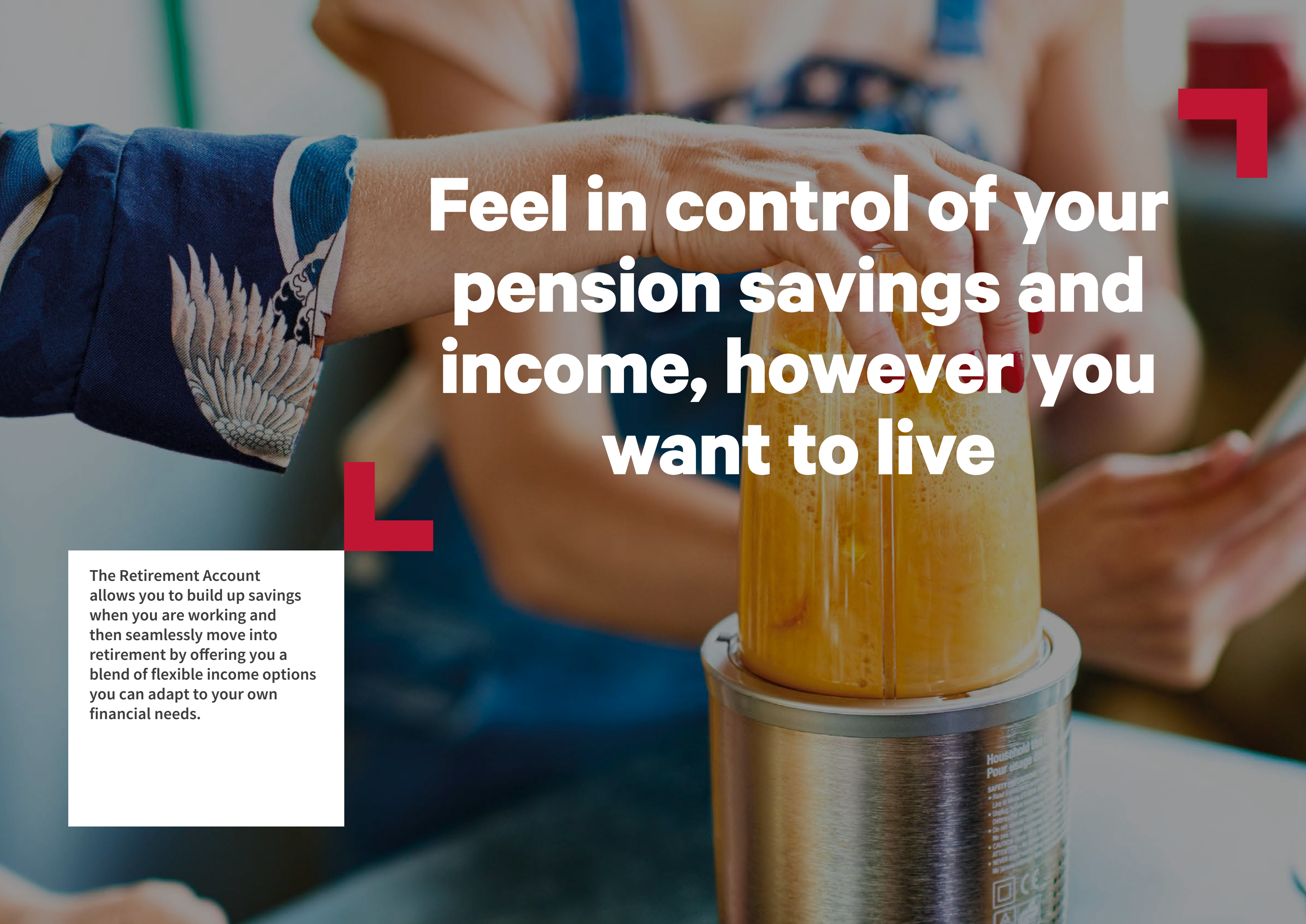


[Control]

The Retirement Account

Client Guide



Feel in control of your pension savings and income, however you want to live

The Retirement Account allows you to build up savings when you are working and then seamlessly move into retirement by offering you a blend of flexible income options you can adapt to your own financial needs.

The Retirement Account

The Retirement Account is a pension solution designed with flexibility at its core. You can use it to consolidate pension monies, make regular or one-off contributions, accumulate savings and seamlessly take retirement benefits when the time comes.

The Retirement Account is designed to be sold only to people who have received independent financial advice. We believe that it is essential that you use a professionally qualified financial adviser who can help you make the right choices before deciding whether to invest.

This guide will help you understand The Retirement Account and how it works, so you and your adviser can make confident decisions about whether it’s right for you.

Welcome to Canada Life

At Canada Life, we’ve been providing retirement solutions to our customers for more than a hundred years. We first came to the UK in 1903, but our history stretches back further, to 1847 when we became Canada’s first life assurance company.

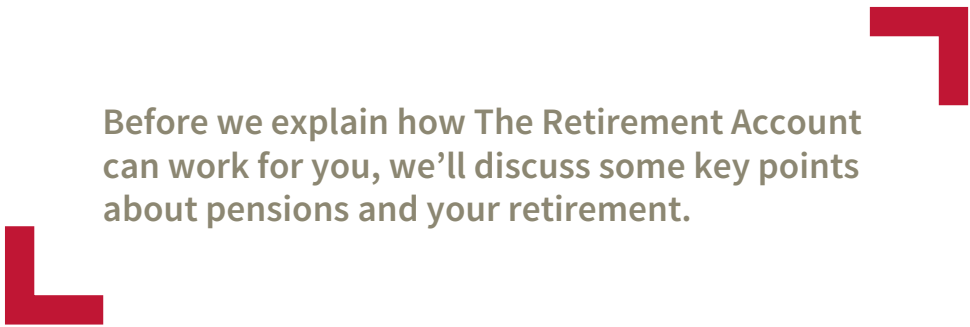
Today, we’re part of Great-West Lifeco. They’re one of Canada’s largest life and health insurance companies and a financially strong global organisation with a rich heritage.

What do we do?

We take care of the retirement, investment and protection needs of millions of people around the world. In total, we look after more than £1,539 billion* of assets for our customers.

As a pension provider, we take our responsibilities seriously. It’s our job to support you in conjunction with your financial adviser at every step of your journey. Which is why we’re committed to excellence in customer service throughout our products, and why we make the process of dealing with us as simple and smooth as possible.

*as at 31 March 2023.



Before we explain how The Retirement Account can work for you, we’ll discuss some key points about pensions and your retirement.

Pensions and retirement – an overview

How do pensions work?

Pensions are financial products that are paid into while you're working, with the aim of providing you with money when you retire. The longer your pension is set up and paid into, the more money you are likely to have when you retire. This is because the investments in your pension are designed to grow in value over the long term, although this isn’t guaranteed.

Tax relief is also given on pension contributions which means that each contribution you make is topped up by the government.

Additionally, you can access your pension from the age of 55, unlike the State Pension (although this is due to rise to 57 from 6 April 2028).

Types of pension scheme

There are various types of pension arrangements, including defined benefit and defined contribution schemes.

A defined benefit (sometimes known as final salary) pension scheme is one where the amount you’re paid is based on how many years you’ve worked for your employer and the salary you’ve earned.

The amount of income you receive from a defined contribution scheme is dependent on how much has been paid into the scheme, how well your investments have performed, and the choices you make when it comes to accessing your money. Money is paid into the scheme either by you, a third party and/ or your employer, as well as tax relief from the Government. The Retirement Account is a defined contribution scheme.

Investing into a pension

In order to build up a pension pot your money can be invested in a range of different funds. The value of your pension can continue to grow, but it can also go down in value, as with any investment.

Each fund offers a different balance of potential risk and reward, based on the types of assets it holds. It is the value of your fund and the assets within them which ultimately determines the value of your pension.

Consolidating pension pots

It’s common these days for people to have had several jobs during their working life so it's likely they may have several pension plans too. Consolidating your pensions simply means taking all of these different pensions and putting them in one place.

This makes your pension easier to manage and keep track of, and gives you a clearer idea of exactly how much you can expect to receive when you retire. It may also provide you with more control and a wider or more appropriate range of investment and product options. You may even be able to reduce the overall charges you pay too.

However, there can be drawbacks to consolidating – often regarding the terms of your existing pension schemes, so you should always seek professional financial advice before making the decision to consolidate.

When you retire

During your working life you will build up pension savings which remain predominantly tax-free until you start to take benefits.

You can choose to start taking money from your pension savings when you reach a pensionable age, the earliest of which is currently 55. In 2015 the government changed the rules around how you could access and use your Pension Savings. These changes are known as Pension Freedoms, because they give you the control to take your Pension Savings how you like.

- 1

You can keep your pension pot where it is

You can delay taking money from your pension pot to allow you to consider your options. Reaching age 55 or the age you selected as your retirement age is not a deadline to act. Delaying taking your money may give your pension pot a chance to grow, but it could go down in value too.
- 2

You can take your whole pension pot in one go

You can take the whole amount as a single lump sum. A quarter of your pension pot can usually be taken tax-free, the rest will be taxed. You will need to plan how you will provide an income for the rest of your retirement.
- 3

You can take your pension pot as a number of lump sums

You can leave your money in your pension pot and take lump sums from it as and when you need, until your money runs out or you choose another option. You can decide when and how much to take out. Any money left in your pension pot remains invested, which may give your pension pot a chance to grow, but it could go down in value too. Each time you take a lump sum, normally a quarter of it is tax-free with the remainder taxed.
- 4

You can get a flexible retirement income

You can leave your money in your pension pot and take an income from it. Any money left in your pension pot remains invested, which may give your pension pot a chance to grow, but it could go down in value too. A quarter of your pension pot can usually be taken tax-free and any other withdrawals will be taxed whether you take them as income or as lump sums. You may need to move into a new pension plan to do this. You do not need to take an income.
- 5

You can get a guaranteed income for life

A lifelong, regular income (also known as an annuity) provides you with a guarantee that any income will last throughout your lifetime. A quarter of your pension pot can usually be taken tax-free and any other payments will be taxed.
- 6

You can choose more than one option and you can mix them

You can also choose to take your pension using a combination of some or all of the options over time or over your total pot. If you have more than one pot, you can use different options for each pot. Some pension providers or advisers can offer you an option that combines a guaranteed income for life with a flexible income.

There's a lot to think about

You’ll need to consider how much income you’re likely to need in retirement, and when and how you should start drawing your money.

You may decide to retire in one go, or gradually phase into retirement. Finally, you’ll need to think about your family, and make sure they are provided for once you’re gone.

Unlike traditional retirement solutions, The Retirement Account was made for the way we live, work and retire today and can be easily adapted as circumstances change.



The Retirement Account – an overview

The Retirement Account is a modern Self-Invested Personal Pension Plan, designed for life, that aims to help you take advantage of Pension Freedoms by providing you with more independence and control in taking your pension savings.

With The Retirement Account you can:

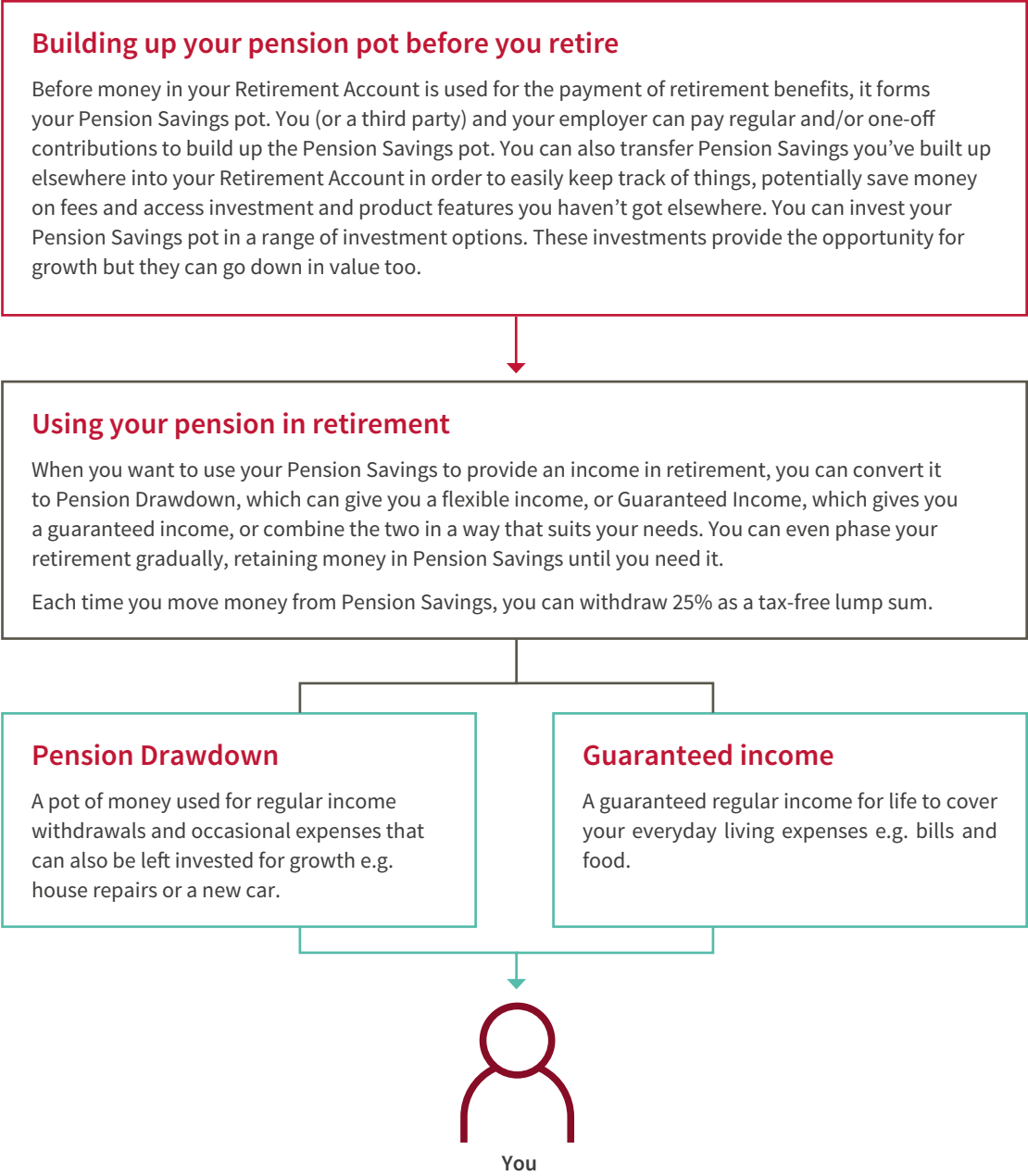
- Make regular or one-off contributions and accumulate funds whilst you’re still working
- Consolidate other pensions so that all of your retirement savings are in one place
- Grow your pension pot by accessing a wide range of investment options
- Take regular income or lump sums from age 55 in a flexible and tax-efficient way
- Build up a nest egg for the future or a legacy for your family when you die
- Use tax planning options that will help you, and any beneficiary in the event of your death, to manage and control tax.
- Login to your Customer Dashboard to view your account valuation, fund choices and payments in and out.

To open a Retirement Account you must be a UK resident, aged 18 or over and have £20,000 or more to invest.

The Retirement Account may not be appropriate if:

- You have less than £20,000 to invest at the start.
- You want to contribute to your pension savings but your employer already offers an alternative pension scheme. This might be a better option, so you should discuss this with your adviser.
- You want to take your whole pension pot immediately in one go.
- You do not have a financial adviser.

How does The Retirement Account work?



+ Alongside your financial adviser you decide how much to take out of The Retirement Account.

You can adjust how much income you receive, which dictates how much income tax you pay.

Your legacy

Pension Drawdown and Pension Savings

When you die, your family will be able to access any remaining Pension Drawdown and Pension Saving money.

The Retirement Account is designed to give your loved ones flexibility in how they receive these benefits. This is especially useful if you die after the age of 75, as rules dictate that benefits your beneficiaries receive (either as a lump sum or income) will be subject to income tax.

Guaranteed income

There are a number of ways our guaranteed income option can pass money to your loved ones after your death. These choices all come at an additional cost to you and are paid for by a reduction in the guaranteed income amount we pay you.

Your adviser can help you select one or more of the following – though it is not possible to combine the Money-Back Guarantee and Income Guarantee.

Income Guarantee

When you take out an Income Guarantee, you can choose to guarantee your payments for up to 30 years. If you die before the term is up, your loved ones will continue to receive the income for the remainder of the period, or even choose to exchange outstanding Income Guarantee instalments for a lump sum, which we calculate at that time.

Money-Back Guarantee

A Money-Back Guarantee provides a lump sum on your death. The amount can be up to 100% of the lump sum you used to buy your guaranteed income, minus the payments made to you before your death.

Dependant's income

You can choose to ensure that a dependant receives a portion of your income for the rest of their life if you die before them. This can be up to 100% of your income.

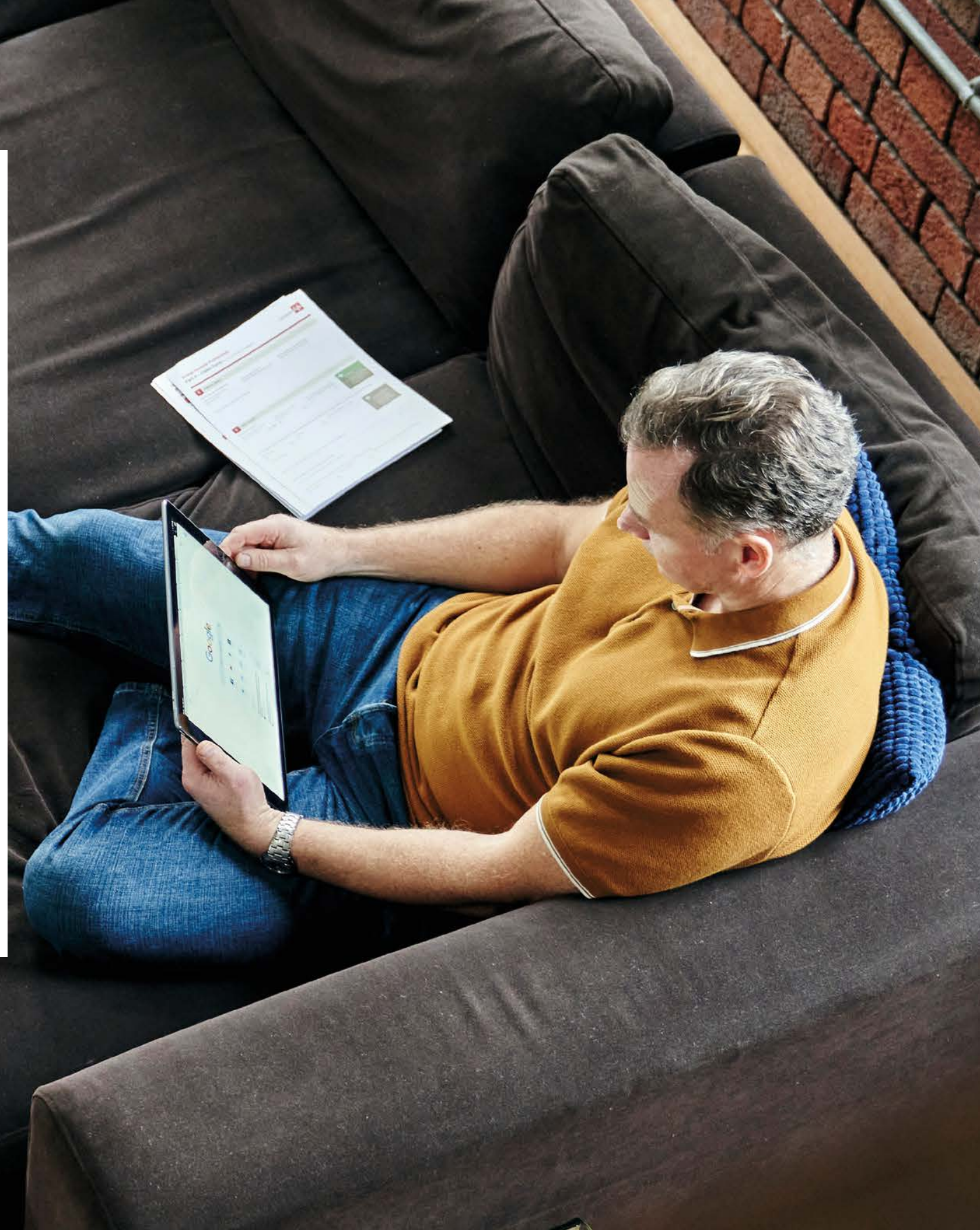
An account that provides choice and the flexibility to adapt as your financial objectives change

Access options that ensure your loved ones are looked after on your death.

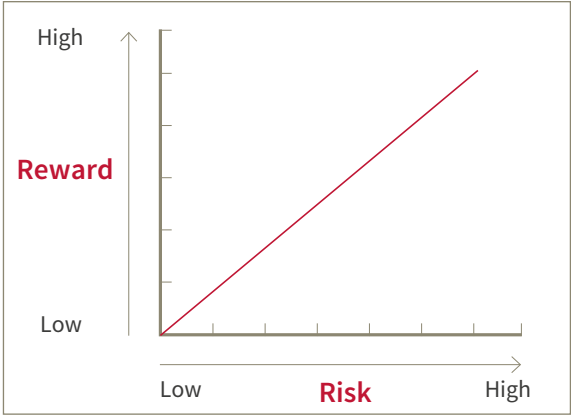


Your investment choice

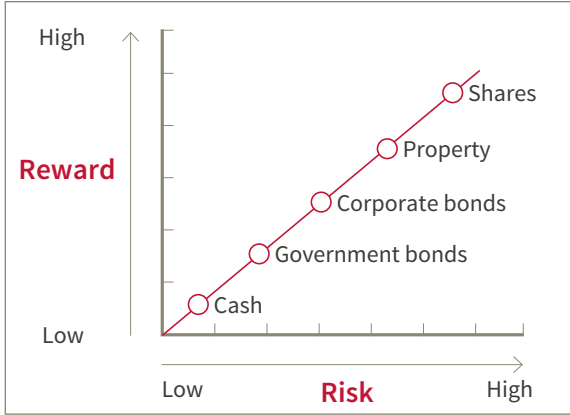
The Retirement Account provides you with the control to decide where to invest your money, with the help of your financial adviser, by offering you a wide choice of options. The same range of investment funds are available across The Retirement Account but you can choose different funds for your Pension Savings pot and Pension Drawdown pot if you wish. And if you need to change where your money is invested at a later point you have the ability to do this too – free of charge.



Risk and reward



Every type of investment fund carries some risk, but the level of risk varies. In general, the higher the potential reward, the higher the risk that the fund's value could fall.



When you choose a fund, your money may be invested in shares (also known as equities), bonds, property, cash and other types of financial investments. Each fund offers a different balance of potential risk and reward, based on the assets it holds. This chart shows the typical relationship between risk and reward for the major asset classes. As you'd probably expect, shares offer the highest potential return but also at the highest risk.

The Retirement Account offers a choice of funds managed using different investment styles including those that:

- Specialise in specific assets – for example a fund focusing on shares in North American companies, or,
- Invest in a mix of different assets (multi-asset) – for example a fund investing in global shares, bonds and property.

As multi-asset funds include a mix of different asset types they can be a useful way of spreading or diversifying risk. Choosing the right funds is an important process that should take into account your current situation, your goals and how you feel about risk. That's why we insist that you use the services of a professionally qualified financial adviser who can guide you through the process. More information on the funds available in The Retirement Account can be found in the Investment Fund Summary brochure.



Risk warning

Past performance is not a reliable indicator of future results. The value of investments may go down as well as up. Taking income or withdrawals in excess of fund growth may result in the fund running out quicker than expected. Inflation will reduce how much the fund is worth in real terms and how much your income is worth over the years.

The Retirement Account's extensive fund choice allows you to control which investments best suit your needs

The Retirement Account in practice

So how could The Retirement Account work in real life?
These case studies illustrate two potential situations that could be similar to your own.



Meet Mark – 68, retired last year. He’s built up a significant retirement pot over time, made up of a number of workplace pensions.

Now he wants to guarantee his income for life, so he can enjoy life without worrying about his money running out. Mark has never been a risk-taker. He’s concerned about losing money in the stock market, so feels uncomfortable with putting his entire pot into Pension Drawdown funds.

Alongside his adviser, using The Retirement Account, Mark chose to receive a Guaranteed Income every month for life. At the same time, he invested some of his money with the option to purchase more Guaranteed Income later in life.



Meet Amanda – 54, owns a small but successful clothes business. She wants to retire in five years’ time.

Over the years, she’s built up a complex investment and pension portfolio with the help of her financial adviser. With The Retirement Account she’s able to bring all of it together in one place as she starts the transition to retirement.

Amanda likes that The Retirement Account offers a wide range of investment solutions. It allows her adviser to recommend a pension portfolio that is diversified, low-cost, with a suitable level of risk for her, all held in one place.

When she does retire, Amanda plans to see the world. She’ll pay for it by taking money from her Pension Savings and using the tax-free element to fund her travel costs. Then, when she returns, she plans to take income from the Pension Drawdown element of her Account.

Making the right decision

Choices you make about your retirement will have a big impact on your future, so for that reason you can't buy The Retirement Account directly from Canada Life.

The Retirement Account is designed to be sold only to people who have received independent financial advice from a professionally qualified financial adviser. Together, you can take a good look at your current situation and your long-term expectations.

As with all financial products, you should never feel rushed into making a decision. Never act if you don't feel you have all the information you need.

If you need to find a retirement specialist, there are websites that can help you.

These include www.moneyhelper.org.uk/en and www.unbiased.co.uk.



Get in touch

By post

Canada Life
PO Box 288
Uckfield
TN22 1PH



Call us

0800 032 7690

Lines are open Monday
to Friday from 8am to 6pm



By email

customers.ra@canadalife.co.uk



Online

www.canadalife.co.uk/retirement-account



All of our documents are available on our website canadalife.co.uk along with daily unit prices and fund fact sheets.

Braille, large-print and audio formats are available on request.

All calls may be monitored or recorded to help with staff training and quality control.



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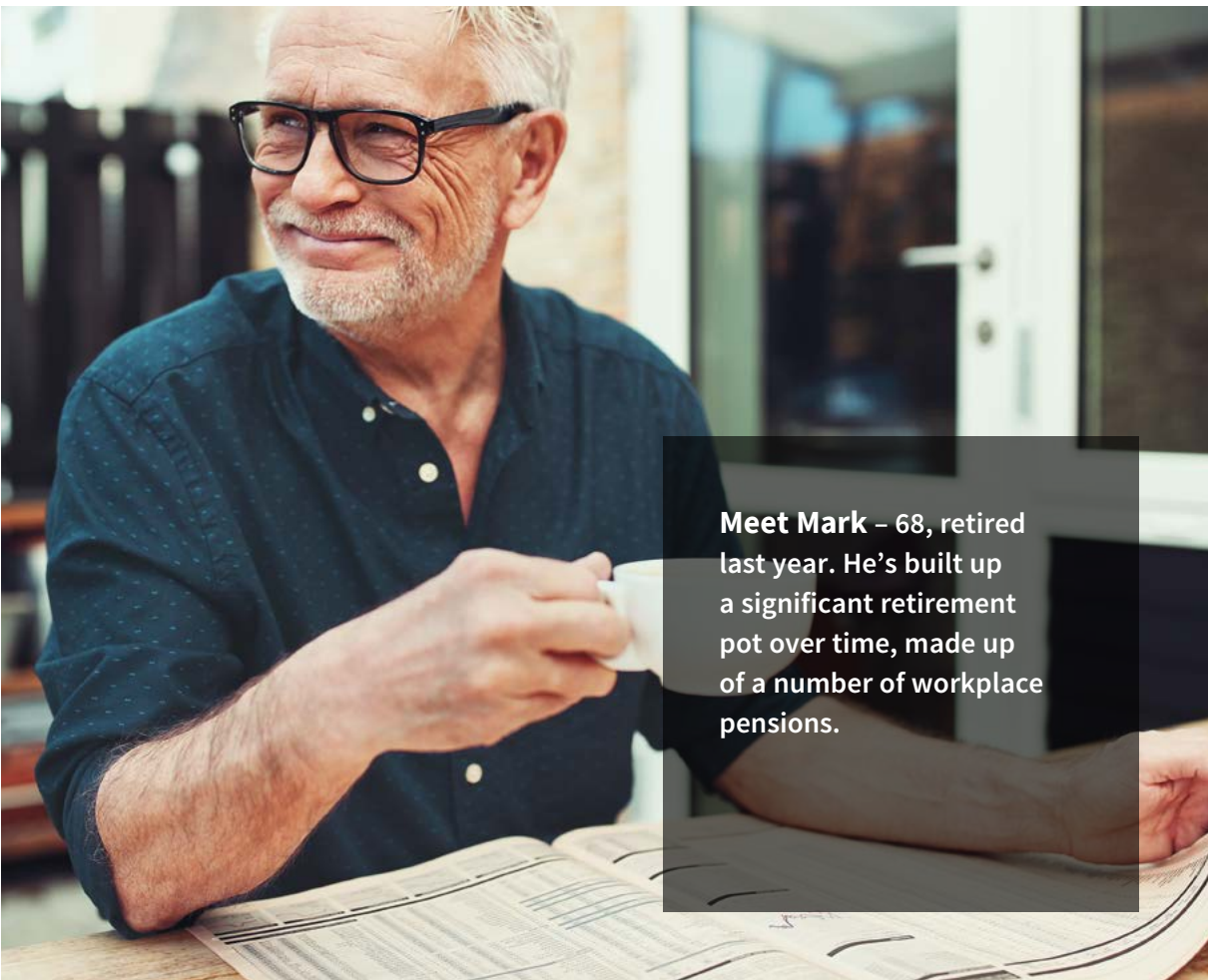
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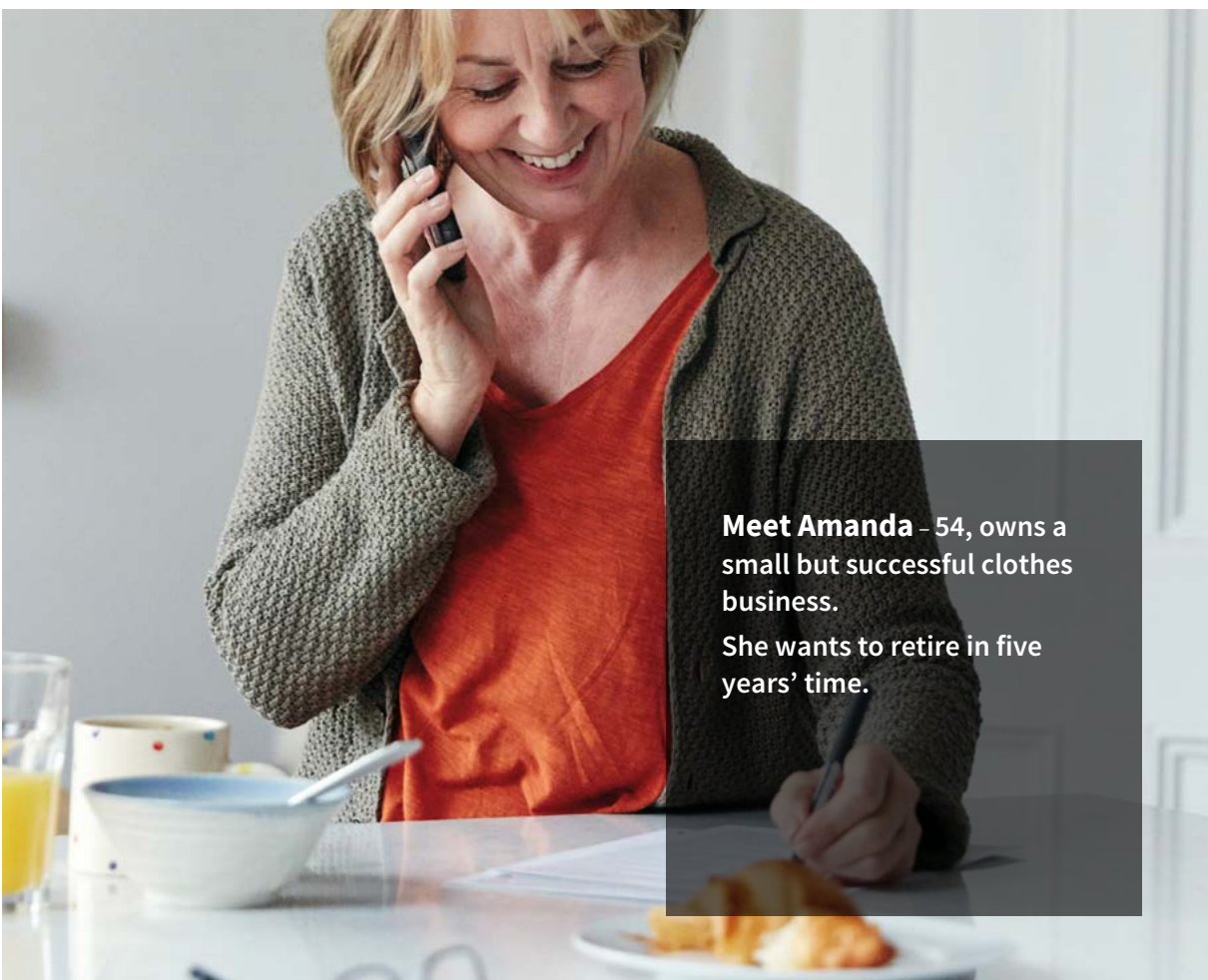


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