

# The Retirement Account

## Policy Terms and Conditions



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**The terms and conditions of your Retirement Account**

This document will explain how your Retirement Account works and sign post some key information.

This is a legal document so there are certain terms we must use when referring to your policy. Every time we use a new term, we will highlight this in bold. The definitions of the words highlighted in bold will be explained in the glossary on page 37.

## Part A. Introduction

This section will introduce you to our mutual agreement, summarise your Retirement Account and outline some of the terms we'll be using in this document.

### 1. The agreement between you and us

- 1.1 By opening a **Retirement Account** you are entering into a legal **agreement** between you and us. That legal agreement is made up of:
  - (a) the **application** you completed to buy **The Retirement Account**;
  - (b) these **terms and conditions**;
  - (c) the **schedule(s) of benefits**; and
  - (d) any other documents stated to form part of the **agreement** or amending the **agreement**.
- 1.2 In addition to these documents, you should also refer to **The Retirement Account** Key Features document, and your illustration of benefits. Any documents referred to are available by contacting your financial adviser or by contacting us using the details set out in section A4 below.
- 1.3 You should keep all documents relating to **The Retirement Account**, along with the **terms and conditions** and **schedule(s) of benefits** and any subsequent versions, for future reference.
- 1.4 The **terms and conditions** become binding on you and us and **The Retirement Account** comes into existence when we issue you with your first **schedule of benefits**.
- 1.5 If you would like a copy of these **terms and conditions** and the **schedule(s) of benefits** in an alternative format please contact us using the details set out in section A4.

### 2. How to use these terms and conditions

- 2.1 In these terms and conditions, the words “we”, “us”, “our” or “**Canada Life**” refer to Canada Life Platform Limited as the **plan** administrator in respect of The Retirement Account, or to Canada Life Limited as the insurer in respect of the **investment policy** and/or **Guaranteed Income**. For this reason:
  - (a) when reading these terms and conditions in the context of a right or obligation of Canada Life Platform Limited (as plan administrator in respect of The Retirement Account) the terms “we”, “us”, “our” or “Canada Life” should be read as referring to Canada Life Platform Limited; and
  - (b) when reading these terms and conditions in the context of a right or obligation of Canada Life Limited (as insurer in respect of the investment policy and/or Guaranteed Income) the terms “we”, “us”, “our” or “Canada Life” should be read as referring to Canada Life Limited.

- 2.2 The words “you” and “your” refer to:
  - (a) the individual whose application for a Retirement Account is accepted and who is a **member** and any **authorised person** acting on their behalf; or
  - (b) where relevant, a dependant, **beneficiary**, or **successor** and any authorised person acting on their behalf.
- 2.3 These terms and conditions are arranged as follows:
  - (a) Section B (“General Terms”) sets out the terms which apply generally to our relationship with you in connection with this agreement;
  - (b) Section C (“Your Retirement Account”) sets out the terms which govern how The Retirement Account works as a personal pension;
  - (c) Section D (“Guaranteed Income terms”) sets out the terms which apply to any Guaranteed Income which is purchased using your Retirement Account;
  - (d) Section E (“non-insurance investment terms”) sets out the terms which apply in respect of **non-insurance** investments in your Retirement Account, including how we effect transactions in those non-insurance investments and how those non-insurance investments are held for you;
  - (e) Section F (“investment policy terms”) sets out the terms which apply in respect of the investment policy within your Retirement Account;
  - (f) Section G (“Definitions”) sets out the meanings of words that we use frequently in these terms and conditions and which are in bold; and
  - (g) For full details of Canada Life’s Data Protection Notice, including how we treat and protect your personal data, please see our website: <https://p3.aprimocdn.net/canadalifeuk/full-data-protection-notice.pdf>

### 3. Summary of The Retirement Account

- 3.1 The Retirement Account is a trust-based Self Invested Personal Pension. It allows you to save for your retirement by investing in non-insurance investments, and/or insurance funds.
- 3.2 The Retirement Account is designed to provide you with a flexible income in your retirement. If you purchase a Guaranteed Income, it will be paid into your Retirement Account.

### 4. Enquiries

- 4.1 If you have any questions about these terms and conditions, please contact your financial adviser or call us on 0800 032 7690. Alternatively, you can write to us at Canada Life, PO Box 288, Uckfield TN22 1PH or email [customers.ra@canadalife.co.uk](mailto:customers.ra@canadalife.co.uk).
- 4.2 Please remember to quote your Retirement Account number(s) in any correspondence you have with us.

## Part B. General Terms

**This section will outline some general terms and conditions for your Retirement Account. This includes the instructions we'll accept from you and how you can protect your security details.**

### 1. Your classification

We shall treat you as a 'retail client' at all times in connection with this agreement. This means that you will receive the highest level of protection under the rules of the Financial Conduct Authority ("FCA"). However, this does not necessarily mean that you will automatically be eligible to bring a claim under either any investor compensation scheme or ombudsman service.

### 2. Your residency, currency and place of payment

- 2.1 You must be resident in the United Kingdom when you apply for The Retirement Account, and at the Retirement Account **start date**.
- 2.2 Any payments into or out of your Retirement Account will be made in the United Kingdom in the currency of the United Kingdom and we will only make payments to you, and you must only make payments to us, from your **nominated bank account**.
- 2.3 We can't accept contributions or transfers in, in respect of customers living overseas. If you move abroad and are no longer a resident of the UK, you won't be able to make additional transfers in to your Retirement Account or purchase any new Guaranteed Income.
- 2.4 The fees and charges payable under this agreement are currently considered not to be subject to VAT, however should VAT become applicable, these fees and charges will be exclusive of such VAT.

### 3. Instructions

- 3.1 We will act on instructions from you or your authorised persons in connection with this agreement. Instructions include, but are not limited to, notices, application forms, benefit options and nominations.
- 3.2 Unless otherwise agreed by us, we will not begin to act on instructions until they are actually received by us at the address shown in section A4.
- 3.3 We may refuse to act on any instructions:
  - (a) which are unclear;
  - (b) which we think may not have been authorised by you or one of your authorised persons;
  - (c) if we reasonably believe that doing so may place us in breach of any regulatory requirement; or
  - (d) if we reasonably believe or suspect they relate to fraud, **market** abuse or any other criminal act.
- 3.4 Our communications will normally be in writing (including email) direct with you or via one of your authorised persons.

- 3.5 You authorise us:
  - (a) to rely on, and treat as fully authorised, any instruction which we reasonably believe to have been given by you without further enquiry by us, and
  - (b) to accept such instruction as genuine, without the need for further investigation as to the authority or identity of the person giving, or purporting to give, such an instruction,
  - (c) provided the instructions have been received by us in good faith and without negligence and that we have followed our standard security verification processes.

### Your security details

#### Protecting your security details

- 3.6 When we open The Retirement Account for you, we may send you **security details** to help us identify you when you give us instructions.
- 3.7 We may refuse to accept any instructions from you unless you can provide us with your security details.
- 3.8 For administration or security reasons, we can require you to use new security details before you can access (or carry on accessing) The Retirement Account.
- 3.9 You must not let anyone else know your security details or the fact that they are for use with your Retirement Account and you must use reasonable care to keep your security details secure.
- 3.10 If you think that someone else knows your password or any of your additional security details or has used any of them to access your Retirement Account you must tell us and change your security details as soon as you can by contacting us using the details provided in section A4.
- 3.11 We may give the police or any other relevant authority any information they need if we think that it will help them find out if someone else is using your security details.
- 3.12 We may stop your access to The Retirement Account if we reasonably believe that:
  - (a) your security details are being used by someone else or we are otherwise concerned about the security of your Retirement Account;
  - (b) we suspect your Retirement Account is being used in breach of this agreement or in an unauthorised or fraudulent manner; or
  - (c) you are not complying with your obligations under this agreement.
- 3.13 If we need to stop your access to The Retirement Account under section B3.12, we'll notify you immediately before. If we can't notify you before we stop your access, we'll inform you of our reasons for doing so after, unless it's unlawful or it would compromise our security measures.

#### 4. How we will carry out your instructions to us

##### Instructions to buy, sell or switch investments

4.1 Where you give us instructions to buy and/or sell investments, we will carry out your instructions as follows:

Where you tell us that...	then we will...
you want to use value in the <b>cash account</b> to buy insurance funds	take the relevant value in the cash account as premium under the investment policy and <b>allocate</b> resulting <b>units</b> in the insurance funds you have selected to the investment policy. See section F for further information.
you want to switch some or all of your insurance funds for other insurance funds	effect a unit switch within the investment policy in accordance with section F.
you want to switch some or all of your non-insurance investments for insurance funds	sell the relevant non-insurance investments in accordance with section E and we will allocate the value from the sale of the non-insurance investments as premium under that investment policy and link resulting units in the investment policy to the insurance funds you have selected. See section F for further information.
you want to switch some or all of your insurance funds for non-insurance investments	surrender the relevant part of the investment policy in accordance with section F and use the resulting value to buy the non-insurance investments that you have selected in accordance with section E.

##### Auto and ad-hoc rebalancing

4.2 You can ask us at any time to start rebalancing your investments as long as you meet the minimum account value. Rebalancing automatically switches investments in your Retirement Account to bring the proportional value of the investments broadly in line with the percentages that you specify. We will rebalance your investments at monthly, quarterly or yearly intervals. You can also instruct us to perform ad-hoc rebalances at any time. We reserve the right to change the day of the month on which regular rebalances take place, which means the interval of your rebalances may vary if we decide to do this.

#### 5. Financial advisers and discretionary managers

Any intermediary, including your financial adviser, wishing to place business with us must be appropriately authorised by the FCA.

When dealing with a new firm we check FCA register to ensure they are authorised and confirm the scope of their permissions.

To place business, intermediaries must agree to be bound by our terms of business which can be found on our website. We will ensure this has been signed by the correct officials in the firm by checking the company's website. We may also receive new agency requests via the Origo system'

5.1 We will not provide you with investment advice or discretionary management in relation to your Retirement Account or your investments. You, your financial adviser or your discretionary manager is responsible for making investment decisions in relation to your Retirement Account.

5.2 We will not provide you with financial, tax or other advice. It is your responsibility to ensure that you have received adequate professional advice to enable you to make decisions in respect of your Retirement Account.

##### Discretionary managers

5.3 We may have agreements in place with one or more third party discretionary managers. You can make an application to one of them to make decisions about what investments to hold in your Retirement Account on your behalf.

5.4 You don't have to appoint a discretionary manager but if you do, you'll need to choose one that we have an agreement with. We have a list of discretionary managers that we have agreements with.

5.5 If requested, we may agree to carry out transactions in your investments in accordance with a model portfolio provided by your discretionary manager. This may involve us carrying out transactions to rebalance your investments to keep them in line with any relevant model portfolio and any updates made to it.

### Model portfolios

- 5.6 We provide the facility for financial advisers and discretionary managers to set up and maintain model portfolios.
- 5.7 Where we receive an instruction from your financial adviser or discretionary manager to change the investments and/or their proportions within a model portfolio to which you are linked, your investment strategy will be updated in line with these changes for the purposes of rebalancing as set out in section B4.2.
- 5.8 Where you terminate your relationship with the financial adviser or discretionary manager who controls the model portfolio to which you are linked, no further changes will occur to your investment strategy if your previous adviser or discretionary manager makes any subsequent updates to the model portfolio. The investment strategy on your policy will remain as the most recent update made by the financial adviser or discretionary manager at the point your relationship with them is terminated. You can instruct us to change your investment strategy, and if you have asked us to rebalance your investments at monthly, quarterly or yearly intervals then we will continue to do so.

## 6. Notices to you

Where you agree, we will correspond with you by email. You must give us a postal address and, if you agree to receive correspondence by email, an email address. Notices will be treated as having been received by you, two **business days** after posting (excluding Sundays and bank holidays) or, where they are emailed, on the same day as we sent the email. We may make a charge if you elect to communicate only by post.

## 7. Your obligations

- 7.1 At all times during the course of this agreement you must:
- (a) tell us as soon as possible if you no longer meet the eligibility requirements set out in section B2.1;
  - (b) promptly provide us with any information that we reasonably request in order to provide The Retirement Account to you in line with regulatory requirements;
  - (c) provide us with details of a nominated bank account and ensure that your nominated bank account continues to be able to make and receive payments to and from us;
  - (d) keep your security details secret at all times and not disclose them to anyone, take all reasonable care to prevent unauthorised or fraudulent use of your security details by

others, and contact us as soon as possible if you know or suspect that someone knows your security details or is impersonating you;

- (e) tell us promptly whenever your contact details change, including your email or postal address, because we will use the most recent contact details on our records whenever we send you correspondence;
  - (f) tell us as soon as possible of any significant change to the information you have given us as this may affect how we provide you with The Retirement Account or any investments;
  - (g) check any confirmation of transactions, statements or schedule(s) of benefits that we send you when you receive them and contact us without undue delay if you think it is inconsistent with your instructions or where there is any inaccuracy; and
  - (h) otherwise keep to the terms of this agreement and the law.
- 7.2 If you break this agreement, this may affect the way we can provide The Retirement Account to you and we may take steps to protect ourselves if it is reasonable and proportionate to do so. Some of the things we may do include:
- (a) refusing to open a Retirement Account for you;
  - (b) refusing to carry out transactions in investments;
  - (c) refusing to make payments or **transfers out** from your Retirement Account;
  - (d) terminating your Retirement Account; and/or
  - (e) taking any other reasonable step necessary to comply with regulatory requirements.

## 8. Our rights to vary this agreement

- 8.1 Canada Life Platform Limited and Canada Life Limited will coordinate with each other when exercising their respective rights to vary this agreement under section B8.2, where this is appropriate. If you receive notice of a change to this agreement under these terms, this should be read as having been given by both Canada Life Platform Limited and Canada Life Limited together. However, if the notice says that the change to the agreement is for one party only, then the change is only applicable to that party's rights and obligations under this agreement.
- 8.2 Subject to section B8.6, we can make a change to any term of this agreement where that change is:
- (a) a proportionate response to changes in general law or decisions of the Financial Ombudsman Service or the Pensions Ombudsman or the Financial Services Compensation Scheme;

- (b) a proportionate response to a court order or decision affecting the agreement or The Retirement Account;
- (c) reasonably necessary to enable us to meet regulatory requirements;
- (d) reasonably necessary for us to meet relevant industry guidance or codes of practice;
- (e) reasonably necessary to reflect a change in our corporate structure;
- (f) a proportionate response to changes in the terms or charges of any insurance fund or **non-insurance investment**;
- (g) a proportionate response to changes in relevant market rates or indices or tax rates;
- (h) a proportionate response to other changes in the cost to us of providing The Retirement Account;
- (i) to provide for the introduction of new or improved systems, methods of operation, services or facilities;
- (j) to correct any mistake in the agreement;
- (k) to reflect the appointment by us of alternative third parties to provide services in connection with the agreement;
- (l) to respond proportionately to changes in the terms and conditions or charges of any third parties appointed in connection with the agreement.

#### When we will tell you about changes

- 8.3 Where we make a change for one of the reasons in section B8.2, we will tell you at least 30 days before we make the change unless it is not possible for us to do so, in which case we will tell you as soon as we can.
- 8.4 We can also make a change that is to your advantage without telling you first, but will tell you as soon as practical after making the change.

#### If you don't want to accept a change we make

- 8.5 If you do not want to accept a change we make to this agreement, you can ask us to **transfer out** your investments and, if you have no Guaranteed Income, close your Retirement Account. This will end this agreement. As long as we receive your written request to transfer within 30 days of the notice we sent you about the change, we will not charge you for the transfer out. You must still pay us any **account charges** you already owe us which arose before the date of termination. If you do have a Guaranteed Income, this will be dealt with in accordance with section C21.6.

#### Changes to the Guaranteed Income

- 8.6 We will not make any changes to the terms of a Guaranteed Income that is in existence under your Retirement Account, except as are necessary:
  - (a) to transfer it to you in the circumstances described in section C21.6;
  - (b) to implement a pension sharing order on divorce; or
  - (c) if we are required by law to make a reduction in the payments under the Guaranteed Income.

#### 9. Our liability to you

- 9.1 Subject to the rest of this section B9, we and the **trustee** accept responsibility for loss to you arising out of or in connection with your Retirement Account only to the extent that such loss is the direct result of our, or the trustee's (as appropriate) material breach of this agreement, fraud, negligence or wilful default or that of its directors, officers, employees, contractors or agents.
- 9.2 We and the trustee give no warranty or undertaking as to the performance or profitability of the non-insurance investments or any insurance funds.
- 9.3 We shall not be liable to pay any compensation for loss due to an **event or circumstance beyond our control**.
- 9.4 Notwithstanding sections B9.1 to B9.3 above, nothing in this agreement will exclude or limit our, or the trustee's liability for personal injury or death caused by our, or the trustee's negligence or the negligence of our, or the trustee's directors, officers, employees, contractors or agents.

#### 10. Facilitation of adviser charges

- 10.1 You can ask us to deduct amounts from your Retirement Account to pay **adviser charges** on your behalf. We can pay initial adviser charges, ongoing adviser charges, **regular** contribution adviser charges and/or one-off adviser charges.
- 10.2 The amount of any adviser charge, and the way you pay it, is agreed between you and your financial adviser. The advice you receive and any adviser charges you must pay your financial adviser are separate from this Retirement Account and its charges. However, you can ask us to pay all, or some, of an adviser charge on your behalf to your financial adviser by deducting the amount you specify from The Retirement Account, as set out below.

We do not make a charge for making adviser charge payments to your adviser on your behalf.

10.3 We will only facilitate an amount in respect of an adviser charge from The Retirement Account if we receive an instruction to do so from you, in the form we require. If you do not provide us with a signed written instruction this will mean that any payments in respect of adviser charges cannot be paid from your Retirement Account and you may have to arrange another way for your adviser to receive any adviser charges that you have agreed are due to them. If you ask us to deduct amounts in respect of adviser charges by completing the relevant section of the application, your signed application will be your signed written instruction to us. A separate form is available from us on request if you want to give us, or change, a signed written instruction after you have returned your application.

10.4 We will only carry out your request to pay an amount in respect of an adviser charge from The Retirement Account if there are sufficient amounts in The Retirement Account to pay the adviser charge. We reserve the right to refuse to deduct an amount to pay an adviser charge on your behalf if:

- (a) the payment would be an **unauthorised payment**;
- (b) the amount of the adviser charge is so high as to cause us concern that the adviser is not complying with regulatory requirements or that the functioning of The Retirement Account could be affected; or
- (c) we reasonably consider that deducting the adviser charge will create an unreasonable administrative burden on us.

#### **Initial adviser charge**

10.5 You can ask us to pay an initial adviser charge on your behalf.

10.6 You must specify the amount of the initial adviser charge as either:

- (a) a monetary amount; or
- (b) a percentage of the total of your **transfer(s) in** and/or one off contributions at the start of your Retirement Account after any **pension commencement lump sum** has been deducted.

10.7 We will deduct the amount you specify from the total of your transfer(s) in and/or one off contributions at the start of your Retirement Account. This will reduce the amount allocated to your Retirement Account.

#### **Regular contribution adviser charge**

10.8 You can ask us to pay regular contribution adviser charges on your behalf.

10.9 You must specify the amount of the regular contribution adviser charges as a percentage of each regular **contribution**.

10.10 We will deduct the amount you specify from each regular contribution that you make into The Retirement Account. This will reduce the amount allocated to your Retirement Account.

10.11 Should you change financial adviser, we will stop deducting any regular contribution adviser charges and a new instruction from you will be required.

10.12 We will stop deducting amounts in respect of regular contribution adviser charges if you ask us to do so in writing.

#### **Ongoing adviser charge**

10.13 You can ask us to pay ongoing adviser charges on your behalf.

10.14 You must specify the amount of the ongoing adviser charges as either:

- (a) a monetary amount; or
- (b) a percentage of the total value of your Retirement Account each year;

10.15 We will deduct the amount you specify from your Retirement Account monthly.

10.16 Should you change financial adviser, we'll stop deducting any ongoing adviser charge and you'll need to let us know if you appoint a new adviser.

10.17 We will stop deducting amounts in respect of ongoing adviser charges if you ask us to do so.

#### **One-off adviser charge**

10.18 There may be one-off adviser charges that you agree with your adviser for financial advice that you receive in relation to your Retirement Account. You can ask us to pay these one-off adviser charges on your behalf.

10.19 You must specify the amount of the one-off adviser charge as a monetary amount.

#### **11. Facilitation of discretionary management charge**

11.1 If you appoint a discretionary manager, we'll pay them the charge that you've agreed with them. You also agree that we may deduct the discretionary management charge from your Retirement Account in line with the instruction that we receive from your discretionary manager.

11.2 The amount of the discretionary management charge, and the way you pay it, is agreed between you and the discretionary manager. Charges paid in relation to discretionary management services are separate from this Retirement Account and its charges. We do not charge for making these payments on your behalf.

11.3 We will only facilitate a discretionary management charge if there are sufficient amounts in The Retirement Account to make the payment. We don't have to agree to facilitate the payment of the discretionary management charge and we reserve the right to refuse to do so for any reason, including where:

- (a) the payment would be an unauthorised payment;
- (b) the amount of the discretionary management charge is so high as to cause us concern that the discretionary manager is not complying with regulatory requirements or that the functioning of The Retirement Account could be affected; or
- (c) we reasonably consider that deducting the discretionary management charge will create an unreasonable administrative burden on us.

## 12. Recording communications

12.1 We may record, retain and/or monitor telephone calls or other communications for the purposes of training, checking instructions, verifying your identity and ensuring that we are meeting our service standards and **regulatory requirements**.

These records may be used as evidence if there is a dispute.

## 13. Conflicts of interest

13.1 Your attention is drawn to the fact that there may be limited circumstances in which a conflict exists between your interests and those of us or our other clients. To mitigate and control these conflicts we have drawn up a conflict of interest policy. Further details of Our conflicts of interest policy are available on request.

## 14. Termination

- 14.1 Subject to B14.5, you can end this **agreement** at any time by notifying us.
- 14.2 Canada Life Platform Limited and Canada Life Limited will coordinate with each other when exercising their respective rights to terminate this **agreement** under section B14.3, where this is appropriate. If you receive notice of the termination of this agreement under these terms, this should be read as having been given by both Canada Life Platform Limited and Canada Life Limited together. Unless the notice of termination says otherwise, it will only apply to The Retirement Account.
- 14.3 Subject to B14.5, and provided you have no **Guaranteed** Income we can end this agreement with you and close your Retirement Account and/or close your Retirement Account to new transfers in or contributions either:

- (a) by giving reasonable notice of no less than 30 days; or
- (b) without notice where there is a valid reason for doing so, provided we inform you of this immediately.

14.4 Valid reasons for terminating the agreement or closing your Retirement Account include but are not limited to, the following situations:

- (a) a court or **regulator** says that we have to;
- (b) we reasonably believe that to continue to provide you with The Retirement Account and /or to accept new transfers in or contributions would put us in breach of a regulatory requirement;
- (c) your Retirement Account has a balance of less than the minimum Retirement Account value as set out on our website.
- (d) We reasonably believe that you are using your Retirement Account for illegal purposes; or
- (e) You have broken this agreement in a serious way.

14.5 Guaranteed Income cannot be terminated. Any Guaranteed Income you may have can be dealt with in accordance with section C21.6.

14.6 After you or we have given notice to end this agreement, we will not accept any further instructions from you in relation to The Retirement Account, apart from an instruction to make a transfer out.

14.7 On the date of closure, all remaining investments will be sold and the proceeds deposited in the cash account. After six months the balance of your cash account (less the deduction of any outstanding account charges) will be paid into your nominated bank account, unless you arrange for it to be transferred to another UK **registered pension scheme** or withdrawn during that period. In this case, the balance of your cash account and any Guaranteed Income you may have will be dealt with in accordance with section C21.

14.8 If we receive a payment into your **Account** after it has been closed (for example interest, dividends or a distribution from a fund manager), with a value of £25 or less, we will retain that amount and pay it to our chosen charity.

## 15. Cancellation

- 15.1 You have cancellation rights in certain circumstances as shown in the table below. In these cases we will send you a cancellation notice. You have 30 days from receipt of this notice to let us know if you want to make the cancellation the notice refers to. If you do decide to cancel, the value of your fund may have fallen and you may receive less back as a result.
- 15.2 We will assume that you receive the notification that your Retirement Account has been issued five business days after the mailing of the schedule of benefits.
- 15.3 With regard to pension transfers in, please note the original pension provider may refuse to accept a return of funds on the terms that previously applied to you, or they may not accept it at all. If so, you will be responsible for finding another provider who will accept the transfer of the pension fund.
- 15.4 If the original pension provider refuses to accept a return of funds and we do not receive new instructions, or we cannot act on them, The Retirement Account will remain, with all funds held in the cash accounts until we receive further instructions from you. If you had originally requested we buy a Guaranteed Income, you can cancel that instruction and your funds will be held only in the cash account.
- 15.5 If you wish to exercise a cancellation right, you can do so by following the instructions contained in the cancellation notice.

When can cancellation take place?	Part of The Retirement Account cancelled	Impact
At the start of your Retirement Account.	The Retirement Account is cancelled.	Any pension commencement lump sum you have taken and any income you have received must be returned. We will ask the pension scheme that the <b>transfer in</b> payment came from to accept the return of the transfer in payment, less any adviser charges or discretionary management charges paid and less any investment loss. Any contributions made will be refunded to the relevant party.
At any application to make a transfer in payment to your Retirement Account after it has started.	The existing Retirement Account remains. Only the new application for further transfer in payments is cancelled.	Any pension commencement lump sum you have taken and any income you have received relating to the transfer in amount must be returned. We will ask the pension scheme that the transfer in payment came from to accept the return of the transfer in payment, less any adviser charges or discretionary management charges paid and less any investment loss in respect of the new application.
At your first application to crystallisation into drawdown.	The drawdown element of The Retirement Account is cancelled.	You must return your Tax Free Lump Sum to us. Any income payments made must also be returned to us. These funds will be returned to the accumulation plan.
Upon your death if your beneficiary asks us to establish a Retirement Account for residual funds.	The Retirement Account for the beneficiary is cancelled.	Funds can be taken as cash or <b>transferred out</b> elsewhere.

## 16. Complaints

- 16.1 We hope you will never need to, but if you ever wish to complain about any aspect of the service you receive from us, please first of all contact our Customer Service Centre:

Address: Canada Life, PO Box 288, Uckfield  
TN22 1PH

Web: [www.canadalife.co.uk](http://www.canadalife.co.uk)

Email: [customers.ra@canadalife.co.uk](mailto:customers.ra@canadalife.co.uk)

Phone: 0800 032 7690 – 8am to 6pm  
Monday to Friday

Please quote your Retirement Account number(s) (shown in your schedule(s) of benefits).

- 16.2 If you are not satisfied with our response to your complaint, you will be able to take the complaint to the the Pensions Ombudsman, at 10 South Colonnade, Canary Wharf, E14 4PU.
- 16.3 You can also refer any complaint to the Financial Ombudsman Service, Exchange Tower, Harbour Exchange, London E14 9SR.
- 16.4 The services of the Pensions Ombudsman and Financial Ombudsman Service are free for anyone taking a complaint to them and your legal rights will not be affected if you subsequently decide not to accept their findings.
- 16.5 The contact details for these organisations are:
- Pensions Ombudsman  
Phone: 0800 917 4487  
Web: [pensions-ombudsman.org.uk](http://pensions-ombudsman.org.uk)
- Financial Ombudsman Service  
Phone: 0800 0234 567  
Web: [financial-ombudsman.org.uk](http://financial-ombudsman.org.uk)

## 17. Financial Services Compensation Scheme

- 17.1 The Financial Services Compensation Scheme (FSCS) was established under the Financial Services and Markets Act 2000 and was set up to provide protection to customers if authorised financial services firms are unable to meet claims against them. Your ability to claim from the scheme and the amount you may be entitled to will depend on the specific circumstances of your claim and how your Retirement Account is invested.

For further details around compensation, please refer to the latest Compensation Arrangements Available to Investors document which you can obtain by visiting our website.

For further information about the FSCS and the limits that may apply to any claim you may have, please check their website [www.fscs.org.uk](http://www.fscs.org.uk) or call them on 0800 678 1100.

- 17.2 If you have non-insurance investments, in the limited circumstances where the manager of the investment fund comprising those non-insurance investments is unable to meet its obligations, we or the trustee will be eligible to claim against the manager and you may be able to claim against the scheme for amounts representing your non-insurance investments, subject to the relevant financial limit imposed by the FSCS from time to time.
- 17.3 If you have an insurance fund, in the limited circumstances where Canada Life Limited is unable to meet its obligations, we or the trustee will be eligible to make a claim for compensation under the FSCS on your behalf for amounts representing the value of your insurance fund.
- 17.4 If you have a Guaranteed Income, in the limited circumstances where Canada Life Limited is unable to meet its obligations, we or the trustee will be eligible to make a claim for compensation under the FSCS on your behalf for amounts representing the value of your Guaranteed Income.
- 17.5 If you have an insurance fund, in the limited circumstances where the underlying **fund manager** is unable to meet its obligations, you would not be eligible to make a claim for compensation under the FSCS. Canada Life Limited is not eligible to make a claim either so the value of your insurance fund will depend on the amount that we recover from the firm.
- 17.6 If you have money in a cash account, in the limited circumstances where the bank that the trustee has chosen to maintain the cash account is unable to meet its obligations, the trustee will be eligible to make a claim against the bank, subject to the relevant financial limit imposed by the FSCS from time to time. The financial limit will apply to your total deposits with the bank, including the value of your cash account and your holdings with the bank outside of your Retirement Account.
- 17.7 If you have a claim against the scheme administrator, in the limited circumstances where Canada Life Platform Limited is unable to meet its obligations, you will be eligible to make a claim for compensation under the FSCS for any liabilities subject to the limit imposed by the FSCS from time to time.

## 18. Language and communications

The language in which this agreement is supplied is English and this is the language in which we shall communicate with you.

### **19. The law that applies to this agreement**

The law that applies to this agreement is English law. You and we agree to submit to the non-exclusive jurisdiction of the English Courts.

### **20. Law and regulations**

These terms and conditions outline our understanding of the law and regulatory requirements as they apply to this agreement at the date entered into. It is important to understand that, like all legislation, the tax treatment and other provisions could change in the future.

### **21. Legal information**

- 21.1 Canada Life is a trading name of:
- 21.2 Canada Life Platform Limited, who is the scheme administrator of The Retirement Account; and
- 21.3 Canada Life Limited, who is the insurer in respect of the investment policy and/or Guaranteed Income in The Retirement Account.
- 21.4 Canada Life Platform Limited is a company registered in England and Wales with registered no. 08395855 and its registered office at Canada Life Place, Potters Bar, Hertfordshire, EN6 5BA. Canada Life Platform Limited is a subsidiary of Canada Life UK Holdings Limited.
- 21.5 Canada Life Platform Limited is authorised and regulated by the Financial Conduct Authority.
- 21.6 Canada Life Limited is a company registered in England and Wales with registered no. 00973271 and its registered office at Canada Life Place, Potters Bar, Hertfordshire, EN6 5BA. Canada Life Limited is part of Canada Life Group (U.K.) Limited.
- 21.7 Canada Life Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

### **22. Third party rights**

Except for the trustee, this agreement does not confer any rights on any other person or body other than the parties to the agreement. No other person or body shall have rights pursuant to the Contracts (Rights of Third Parties) Act 1999 to enforce any terms under this agreement.

### **23. Waiving a term or condition**

If we fail to insist that you perform any of the obligations under this agreement, or if we do not enforce our rights against you, or if we delay in doing so, that will not mean that we have waived our rights against you and will not mean that you do not have to comply with those obligations. If we do waive a default by you that will not mean that we will automatically waive any later default by you.

### **24. Severability**

Each of the paragraphs of these terms and conditions operates separately. If any court or relevant authority decides that any of them are:

- (a) unlawful, the remaining paragraphs remain in full force and effect;
- (b) unfair, it, as far as possible, still applies but without any part which could cause it to be held, viewed or considered unfair.
- (c) if any part of a clause is deemed to be unfair by a court or authority then the part that is unfair is effectively struck out/ignored – the remaining part of the clause would still be valid.

## Part C. Your Retirement Account

**This section will explain the key features of your Retirement Account and introduce you to the trustee and scheme administrator.**

### 1. Summary of features

- 1.1 The Retirement Account allows you to:
  - (a) make single or regular contributions and/or make one or more transfers in from other **registered pension schemes**;
  - (b) save for your retirement by investing your **pension savings** in insurance funds and non-insurance investments; and
  - (c) designate some or all of your pension savings as **pension drawdown** so that you can:
    - (i) take a **pension commencement lump sum**;
    - (ii) take benefits including a regular income and/or lump sum withdrawals; and
    - (iii) invest in insurance funds and non-insurance investments and/or buy a Guaranteed Income.

### Structure of your Retirement Account

#### 2. The plan

- 2.1 By opening a Retirement Account with us, you will become a member of the Canada Life Pension Plan (the “plan”), which is a registered pension scheme established under trust.
- 2.2 The plan is governed by plan **rules**. If you’d like a copy of the plan rules, please let us know and we will send them to you.
- 2.3 We may decide to change the plan rules to take account of changes to regulatory requirements affecting the plan or for any other reason the rules or law permit. If we do change the rules of the plan and you are affected by the change(s), we will, where practicable, give you at least three months’ advance notice in writing.

#### 3. Application and eligibility

- 3.1 In addition to the residency requirement set out in section B you must be at least 18 years of age to set up a Retirement Account and must provide us with a completed application. At the outset you must also meet the minimum investment amount criteria which can be found on our website.
- 3.2 When you submit an application for The Retirement Account, this does not mean we have accepted your application. If we are unable to accept your application we will inform you of this in writing and we will not set up your Retirement Account.

- 3.3 If we accept your application, we will open your Retirement Account and you will become a member of the plan on the Retirement Account start date shown in the schedule of benefits that we will send to you.
- 3.4 We may need to see certain documents before we can deal with you. We will let you know what we need at the relevant time. Documents we will need to see include, for example, evidence of your age and proof that you or any other individual is entitled to receive payments under The Retirement Account. We may use electronic means to obtain the proof.
- 3.5 You must be resident in the United Kingdom (UK) when you apply for The Retirement Account, and at the Retirement Account start date.
- 3.6 If you are a United States (US) Citizen, Resident or Green Card holder you will not be eligible to open a new Retirement Account.
- 3.7 You must be at least 18 years of age to set up a Retirement Account and must provide us with a completed application. At the outset you must also meet the minimum investment amount criteria which can be found on our website.
- 3.8 We will only accept payments into your Retirement Account from your nominated bank account and we will only make payments from your Retirement Account into your nominated bank account. Payments into and out of the Retirement Account can only be made in pound sterling.
- 3.9 If you move outside of the UK after the Retirement Account start date, you must inform us as soon as possible. If you live outside of the UK after the Retirement Account start date, you will not be permitted to make transfers into your Retirement Account purchase any new Guaranteed Income purchase new funds or switch into a fund that you do not already hold.

If you move outside of the UK, you may no longer be eligible to invest in the full range of funds that are made available in the Retirement Account. You should read the relevant fund’s prospectus to ensure you are an eligible investor. If you become resident in the US, you may also be required to sell certain fund units you hold in your Retirement Account. In these instances, we will notify you and you will need to arrange for an alternative investment.

Restrictions will cease if you move back to the UK. You will be permitted to sell units to cash and withdraw money from The Retirement Account as well as designate your pension savings as pension drawdown and take a pension commencement lump sum.

3.10 If you become a US Citizen, Resident or Green Card holder after the Retirement Account start, the restrictions in section 3.9 will apply to you. You will also no longer be permitted to make additional contributions to your Retirement Account. Restrictions will cease if you move back to the UK, and are no longer a US Citizen, Resident or Green Card holder.

#### 4. Assignment

4.1 The benefits paid under your Retirement Account may not be assigned, and no loans are allowed in relation to The Retirement Account or its benefits.

#### 5. The trustee and the scheme administrator

5.1 As the plan is established under trust, the trustee is the legal owner of the cash and investments held in your Retirement Account.

5.2 Canada Life is the scheme administrator and is responsible for appointing the trustee. The trustee it has appointed is Canada Life SIPP Trustee Limited. Canada Life reserves the right to change the trustee at any time.

5.3 The trustee has the power to make investment decisions in respect of your Retirement Account.

5.4 The trustee delegates authority to you to give instructions in relation to the investments held in your Retirement Account. The trustee also authorises you to delegate such authority to an authorised person in accordance with section B3.1.

5.5 We will make every effort to ensure that we set up and administer your Retirement Account correctly. However, if a mistake is made we will endeavour to correct it as soon as possible.

#### 6. Your retirement age

6.1 If your Retirement Account consisted only of pension savings when you made your application you will have been asked to choose a retirement age. We use this age to determine when to write to you about your benefit options and to provide illustrations for your future benefits. It does not restrict your ability to take benefits at other times.

6.2 If you did not choose a retirement age in your application we will choose an appropriate retirement age as your default retirement age.

6.3 We will write to you 6 months before your retirement age to let you know your benefit options. You can change your retirement age at any time by writing to us.

#### 7. Arrangements within your Retirement Account

7.1 Your Retirement Account is made up of one or more arrangements, as follows:

(a) an arrangement to hold your pension savings; and/or

(b) one or more arrangements to hold pension drawdown where:

(i) you have designated pension savings as Flexi-access pension drawdown within your Retirement Account; and/or

(ii) you make a transfer in of amounts which have already been designated as pension drawdown. Each transfer in of pension drawdown amounts comprises a separate pension drawdown arrangement within your Retirement Account. Any capped pension drawdown will be converted to Flexi-access pension drawdown.

7.2 Each arrangement within your Retirement Account contains a cash account to hold cash and an **investment account** to hold investments. Together, all of the cash account(s) and the investment account(s) within your Retirement Account constitute your "Individual Fund" for the purposes of the plan rules.

7.3 If you are a dependant or beneficiary your Retirement Account will be made up of a single pension drawdown arrangement. You cannot hold pension savings.

#### 8. Cash accounts

8.1 Each of your pension savings and pension drawdown arrangements has a cash account.

8.2 The cash account(s) are used to make payments from your Retirement Account (including the payment of benefits, adviser charges and account charges). **Transfers in** and contributions are also paid into the cash account(s).

8.3 The cash in the cash account(s) is held in a bank account in the trustee's name with a bank of our choice. The bank account will hold all of the cash that the trustee holds for all members of the plan, but we will keep a record of how much of that money is held in respect of your Retirement Account.

8.4 All cash is held by the trustee within the trust, so in the event of a failure of Canada Life, cash will be ring-fenced from Canada Life's own money and will continue to be held on trust for you within your Retirement Account.

8.5 You can ask us to use value in a cash account to purchase investments.

8.6 We will place all contributions and transfer in amounts received into the relevant cash account then deduct any pension commencement lump sum and adviser charge before following your instructions to purchase other investments.

8.7 Guaranteed Income and income from and proceeds from the sale of investments will be paid into the relevant cash account before it is either paid to you or used to purchase other investments. Canada Life works proactively with its banking partner/s to secure competitive interest rates for our customers. We encourage customers and advisers to continually review their cash holding within The Retirement Account.

The plan allows customers to invest in a wide range of investment funds that use different types of assets such as Shares, Bonds, Property and Cash.

Full details of the investment options available, along with details of the interest rate currently being paid on cash holdings can be found on our website.

We may change the rate of interest payable on money in cash accounts in line with the interest we receive and this may mean that we cannot pay any interest on money in the cash account, or may apply a negative interest rate. We do not pay interest on monies that we hold outside of the cash account in the course of effecting transactions in investments.

## 9. Investment accounts

- 9.1 Each of your pension savings and pension drawdown arrangements has an investment account.
- 9.2 The investment account(s) are used to hold the investments within The Retirement Account.
- 9.3 You can decide what investments you would like your Retirement Account to hold. You can choose different investments for your pension savings and your pension drawdown arrangements, as relevant.
- 9.4 Details of the current investment range and the minimum investment amounts that apply can be found on our website.
- 9.5 You can select and make changes to investments using The Retirement Account form that can be found on our **website** or by contacting us using the details provided in section A4.

## 10. Permitted investments

10.1 A list of the investments that are available within your Retirement Account is set out on our website. These investments may be non-insurance investments or insurance funds which is linked to the value of insurance funds. You should read the fund literature, including the fund prospectus, Key Investor Information Document, Key Information Document and fund factsheet, before giving us an instruction to purchase an investment.

10.2 From time to time we may change the non-insurance investments and/or insurance funds that are available. Some of the reasons why we might do this are:

- (a) to introduce new non-insurance investments / insurance funds and/or categories to the list;
- (b) where we can no longer support the administration of certain types of non-insurance investment or insurance fund;
- (c) where we reasonably believe that a non-insurance investment or insurance fund represents an increased level of risk which could impact upon us, members and/or the trustee of the plan;
- (d) where regulation and/or changes to regulatory requirements materially increase the cost and/or the complexity of the administration to us of holding a particular asset;
- (e) where the non-insurance investment or insurance fund is incompatible with the good management of the plan; and /or
- (f) because any third party that provides a non-insurance investment or the underlying fund for an external fund ceases to do so or makes a change to that non-insurance investment or to the underlying fund in an external fund.

10.3 We may withdraw a non-insurance investment or insurance fund by closing it to new investments and/or by requiring you to switch out of that non-insurance investment or insurance fund. Where this affects a non-insurance investment or insurance fund held in your Retirement Account we will:

- (a) where it is practicable for us to do so, let you know in advance that the non-insurance investment or insurance fund is to be withdrawn and seek your instructions about what investment choice you would like to make instead; and /or
- (b) if we cannot give you advance notice or if you do not give us instructions, we may sell the non-insurance investment or make a **unit switch** out of the insurance fund and/or divert future investment into another non-insurance investment or insurance fund.

- 10.4 We will delay any transaction for up to six months or we will change the proportion of units sold from each investment if:
- (a) an investment fund does not hold sufficient liquid assets (assets which can be easily sold or converted into other assets). For example, this may happen where the investment fund concerned invests directly or indirectly in freehold or leasehold property, land or non-sterling securities; or
  - (b) in our opinion, a delay would be in the interests of you and other Retirement Account holders, for example, in poor market conditions where there is a significant fall in the market value of the assets of an investment fund.
- 10.5 We aggregate trades across Retirement Account holders with the resulting sales and purchases subject to rounding.

### 11. Guaranteed Income

- 11.1 You can instruct us at any time to buy a Guaranteed Income using funds in a pension drawdown arrangement you select. If you do not tell us which arrangement to use we will select an arrangement. The terms that will apply to the Guaranteed Income are set out at section D.
- 11.2 A Guaranteed Income forms part of the relevant pension drawdown arrangement and income generated from the Guaranteed Income will be paid into the cash account of that pension drawdown arrangement.
- 11.3 When purchasing a Guaranteed Income, we will use a pension drawdown arrangement that has sufficient value to purchase the required Guaranteed Income. If no single pension drawdown arrangement can achieve this, we will then use more than one arrangement, with a separate Guaranteed Income in each. Residual amounts in such arrangements will continue to be held as pension drawdown.

### 12. Annual Statements

Around the anniversary of the Retirement Account start date we will send you an annual statement.

This will show:

- What you have paid in
- What investments are held
- The value of your arrangements at the start and the end of the year
- The amount of any investment gain or loss in the year
- Any amounts deducted for account charges
- Any payments made to you and (unless you have started to take benefits from your Retirement Account) an illustration of potential future benefits.

### Making payments into The Retirement Account

#### 13. Contributions

- 13.1 If you are a member, are less than 75 years old and are UK resident, we'll accept contributions into your Retirement Account as set out in this section C13. **Contributions** can be regular or one-off.
- 13.2 All contributions will be paid into your pension savings cash account until you tell us how you want them to be invested.
- 13.3 If a cheque for a one-off contribution or direct debit for a regular contribution is rejected by your bank, we'll **cancel** units allocated with the unpaid contribution(s). We'll then request from you any payments made to you and/or your adviser using the contribution(s). If the value we receive for cancelling the purchase of an investment is less than the price we paid for it, we'll deduct the difference from the relevant cash account unless you give us another instruction. We also reserve the right to charge for any reasonable costs incurred by us.
- 13.4 We will apply minimum limits to contributions. These limits are set out on our website and may change from time to time. **HMRC** also imposes limits on the level of contributions that qualify for tax relief and the overall level of pension contributions you can accrue each year without incurring a tax charge. More detail on these is set out under section C13.13 to C13.18.

- 13.5 We will accept contributions paid on your behalf by:
- (a) your **employer** instead of, or in addition to, contributions made by you; or
  - (b) a third party instead of contributions made by you;
- provided that we have received satisfactory evidence of the identity and address of that employer or third party.
- Any contributions made by the employer must only be payments to us from their corporate bank account.
- 13.6 We may stop the application of contributions to your Retirement Account if we consider it necessary to comply with regulatory requirements.

#### **Regular contributions**

- 13.7 Regular contributions can be made either monthly, quarterly or yearly and will be collected by Direct Debit on or around the 20th of the relevant month, unless we agree with you otherwise.
- 13.8 You can also ask us to automatically change your or a third party's regular contributions by the percentage change in the Retail Prices Index each year. We cannot adjust contributions made by your employer in this way.
- 13.9 If you want to change your regular contributions, you must give us at least 10 business days' notice. If you notify us of any changes with less than 10 business days' notice before a collection date, these changes will not apply until the following collection date.

#### **One-off contributions**

- 13.10 One-off contributions can be paid by cheque or electronic transfer (BACS or CHAPS) referencing your Retirement Account number.

#### **Tax relief**

- 13.11 We will apply to HMRC each month for the tax relief due on all personal and third party contributions paid. We will apply the amount of the tax relief we understand is due to your Retirement Account at the time we receive the cleared contribution in the cash account. If we are subsequently unable to obtain the tax relief for that contribution from HMRC we will adjust your Retirement Account accordingly.
- 13.12 You may be able to claim additional tax relief (for example if you are higher rate or additional rate taxpayer) through your self-assessment tax return or from HMRC directly.

- 13.13 We rely on information provided by HMRC in respect of your status as a UK taxpayer. If we make a mistake in recording your status in our records we will inform you and HMRC about this and HMRC will correct your tax position through changes to your tax code or via self-assessment.
- 13.14 You will not qualify for tax relief on any contributions paid in excess of the greater of 100% of your relevant UK earnings (for example salary, wages or bonus) and the prevailing threshold for tax relief on contributions in each tax year (current thresholds can be found on the HMRC website [www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm041000](http://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm041000)). No tax relief is due to you on any employer contributions paid to your Retirement Account.

#### **Money Purchase Annual Allowance ("MPAA")**

- 13.15 This is the maximum amount that can be paid in one year into your defined contribution pension savings and still get tax relief if:
- (a) you have already taken money out of any pension pot as cash (in one go or as smaller lump sums); or
  - (b) you have started taking income from a flexible retirement income product or from a lifetime annuity which could decrease, such as an investment-linked annuity.
- 13.16 The **MPAA** does not apply if you have only used some or all of your pension pot to buy a lifetime annuity.
- 13.17 The MPAA is also triggered for payments from a pre-April 2015 capped drawdown plan that exceeds the cap and in certain other limited circumstances. If you exceed the MPAA a tax charge is made which claws back any tax relief that was given at source. If your taxable earnings in the year are below the MPAA then tax relief on defined contribution pension savings is limited to 100% of your earnings (or, if you have no earnings, to the prevailing threshold for tax relief on contributions in each tax year). The MPAA limit does not apply to other pension savings. The current MPAA can be found on the HMRC website [www.gov.uk/government/publications/rates-and-allowances-pension-schemes/pension-schemes-rates](http://www.gov.uk/government/publications/rates-and-allowances-pension-schemes/pension-schemes-rates).

## Annual Allowance

13.18 This is a limit on how much tax-free money you can build up in your pension in any one year based on your own contributions, any employer contributions and any contributions made on your behalf by someone else. The Annual Allowance applies across all your pension savings, not per scheme. If you exceed the Annual Allowance, a tax charge (the “Annual Allowance Charge”) is made which claws back any tax relief that was given at source. See also the Money Purchase Annual Allowance (see section C13.15). The current Annual Allowance can be found on the HMRC website [www.gov.uk/government/publications/rates-and-allowances-pension-schemes/pension-schemes-rates](http://www.gov.uk/government/publications/rates-and-allowances-pension-schemes/pension-schemes-rates).

## 14. Transfers into The Retirement Account

- 14.1 If you are a member, we may agree to receive transfers in from one or more other registered pension schemes or **qualifying recognised overseas pension scheme** that you hold.
- 14.2 We will only accept transfers in which are made in cash. Transfers in will need to be paid to us by electronic bank transfer from the transferring pension scheme (such as BACS, faster payments or CHAPS). We will notify you when we receive the payment from the transferring scheme.
- 14.3 We may set a minimum amount that applies to each individual transfer in. We may change this minimum from time to time. You can find our current minimum on our website.
- 14.4 Each transfer in will be invested in line with your instructions within five business days of us receiving both the cleared payment available to invest and all necessary documentation.
- 14.5 We will not accept transfers in where:
  - (a) you are not a UK resident;
  - (b) you do not have a financial adviser; or
  - (c) the benefits arise from a defined benefit scheme and you have not received a recommendation to make the transfer in from a suitably qualified financial adviser;
- 14.6 You must let us know if any of the circumstances in section C14.5 apply.
- 14.7 You are responsible for letting us know if you have any form of lifetime allowance protection in respect of a transfer in.
- 14.8 You may be able to take a pension commencement lump sum or a taxable payment when you transfer in.

## 15. Closure to payments in

We can refuse to accept transfers in or contributions to your Retirement Account if it is appropriate and reasonable for us to do so, for example if allowing you to transfer in or contribute would breach legislation or other regulatory requirements or if it is required by HMRC.

## 16. Payments from your Retirement Account

- 16.1 You decide the level of your regular income from your Retirement Account, including any Guaranteed Income (see section D). We set an overall minimum amount for both regular and ad-hoc payments of income that can be paid out to you. The minimum payments are set out on our website. You can set up regular **designations** of pension savings to pension drawdown to make the regular income payments (see sections C17.7 to C17.11).
- 16.2 You can choose for the regular payments from your cash account to be made monthly, quarterly or yearly. You can change the level and the frequency at any time by contacting us using the details provided in section A4. Regular income is payable in the currency of the UK at the time, to UK bank accounts by direct credit.
- 16.3 You can choose to receive your regular income payments on the 12th, 20th or 28th of the month. You may sometimes receive your payments earlier or later than your chosen date. For example, if your payment date falls on a bank holiday or over a weekend.
- 16.4 You can choose that income from regular designations (see section 17.7) to be made at a different frequency to other income payable.
- 16.5 If there is a Guaranteed Income within your Retirement Account you can specify that you want the total income payable to you to be the same as, greater than or less than this amount. If it is greater than the Guaranteed Income, the shortfall will be paid to you from pension drawdown investments. If it is less than the income generated by the Guaranteed Income then the excess will remain in the pension drawdown cash account. Where the Guaranteed Income automatically increases in value (see section D6) and you are taking an income, then the total amount being paid to you will also increase by the same value, unless you have specified otherwise.

- 16.6 You are able to take ad-hoc payments at any time (subject to the minimum payment levels found on our website) by contacting us, using the details provided in section A4. Any ad-hoc income payments will normally be paid on the next available income payment date. Ad-hoc payments are payable in the currency of the UK at the time, to a UK bank account by direct credit or by electronic bank transfer. We reserve the right to apply a charge where you request more than 12 ad-hoc payments in any 12-month period.
- 16.7 If you request an income from your investments and the transfer payments and/or one off contribution(s) we receive are insufficient to maintain your level of income over the first 12 months, then your income may be reduced proportionately.

### 17. Designating pension savings as pension drawdown and pension commencement lump sums

- 17.1 The only benefit that can be made from pension savings is a lump sum payment from pension savings (“**UFPLS**”) (see section C19). All other benefits must be taken from pension drawdown. If you do not have any pension drawdown in your Retirement Account, you will need to “designate” or move all or part of your pension savings into pension drawdown so that they can be used to pay other benefits.
- 17.2 If you are a member, you can make a designation once you reach age 55 (or earlier if you have a protected early retirement age or if you are in ill-health and meet HMRC requirements) subject to a minimum age of 50. You can also wait to designate later if you want to. From 6 April 2028, the normal minimum pension age (NMPA) will increase from 55 to 57. This means that from this date, you will need to be aged 57 or older before you can start taking money from your pension.
- 17.3 There is a minimum amount that applies to designations which you can find on our website from time to time.
- 17.4 Each time you designate pension savings into pension drawdown you will be able to take up to 25% of the relevant amount as a pension commencement lump sum.
- 17.5 If some or all of your pension savings is in respect of a **disqualifying pension credit**, then no pension commencement lump sum is payable in respect of these amounts when you request for benefits to come into payment.

- 17.6 Where you designate an amount from your pension savings into pension drawdown, this amount will remain as currently invested and be moved into pension drawdown. The investments transferred might differ from those already held in pension drawdown. If you have selected the auto-rebalance option the investment funds will automatically switch. If you have not chosen this option you can choose to switch investment funds.

### Regular designations

- 17.7 You can set up regular designations of your pension savings into pension drawdown. If you do this, we will, at regular intervals, move a specified amount of your pension savings into your pension drawdown and pay you a pension commencement lump sum of 25% of the amount designated. If you set up a regular designation there is no minimum designation amount.
- 17.8 You cannot set up regular designations of your pension savings if some or all of your Retirement Account is in respect of a disqualifying pension credit and/or you are entitled to scheme specific tax-free cash protection and/or any form of lifetime allowance protection.
- 17.9 If you set up regular designations, you must tell us:
- the frequency of the regular designations;
  - the monetary amount of pension savings that should be designated at each regular designation date. We will sell investments as necessary to pay you 25% of this amount as a pension commencement lump sum when we make the designation; and
  - how much of the remaining designated amount we should pay to you as taxable income at the time of each regular designation. We will sell investments as necessary to do this.
- 17.10 Any remaining cash and investments in the designated amount will be moved into the pension drawdown investment account.
- 17.11 We will do all we can to make sure that payments from regular designations are made to you on the date requested. However, aside from bank holidays and weekends, there may be circumstances where this is not possible due to transactions already being in process in respect of your Retirement Account. For example, a fund rebalance, fund switch, or a requirement to sell investments to pay account charges or a taxable lump sum. In these circumstances your payment may be delayed and we will contact you.

## 18. Available benefits

- 18.1 If you are a member, when you decide to take benefits from your Retirement Account you can:
- (a) take all of your pension savings as an UFPLS (see section C19.);
  - (b) designate some or all of your pension savings to pension drawdown;
  - (c) take a pension commencement lump sum when you designate pension savings to pension drawdown (see section C17.4);
  - (d) set up regular designations of your pension savings to provide a regular tax free income and a taxable income if you require it (see section C17.7 to C17.11);
  - (e) use your pension drawdown to receive regular or ad-hoc income payments;
  - (f) use some or all of your pension drawdown to purchase a Guaranteed Income; and/or
  - (g) make a transfer out to another provider for your retirement benefits (see section C21).
- 18.2 We can also, at our discretion, allow any other form of benefit provided that payment of the benefit would be an authorised payment for the purposes of the Finance Act 2004.
- 18.3 To help you decide which option is best for you, you should speak with your financial adviser. If you don't have a financial adviser, there are free organisations that you can speak to for guidance. MoneyHelper is an organisation that provides free and impartial guidance on money and financial decisions to people in the United Kingdom. For help with pensions call 0800 011 3797 to book an appointment with a pension specialist. They will explain the options available for taking your pension money. You can speak to them over the phone or face to face at one of their locations near to you.

## 19. Lump sum payments from pension savings ("UFPLS")

- 19.1 If all of your Retirement Account is in a pension savings arrangement (and you have never previously designated any of it to pension drawdown) you can instruct us to pay all of it to you as an UFPLS payment.
- 19.2 25% of an UFPLS payment is tax-free, with the remainder of the lump sum taxable as pension income at your marginal rate of tax. If you are less than 75 years old you must have more lifetime allowance remaining than the amount of the UFPLS. If you are aged 75 or over you must have some lifetime allowance remaining.
- 19.3 Details of any account charges are given on our website.

19.4 You can take an UFPLS by contacting us, using the details provided in section A4. We will usually make a UFPLS by electronic bank transfer.

19.5 You cannot take an UFPLS if some or all of your Retirement Account is in respect of a disqualifying pension credit and/or you are entitled to scheme specific tax-free cash protection and/or any form of lifetime allowance protection.

## 20. How we effect payments

- 20.1 If there is insufficient value in the relevant cash account to meet any adviser charges, a discretionary management charge, account charges, the purchase of a Guaranteed Income, a transfer out or income payments due, then we will sell investments in the relevant investment account(s) in the relevant arrangement(s).
- 20.2 If there are insufficient other funds available in the relevant arrangements to make the payment due, please note:
- (a) if we are unable to make a payment to you in full, we will pay a lower amount;
  - (b) we will stop paying any adviser charges to your financial adviser on your behalf; and
  - (c) any outstanding adviser charges and account charges will be deducted at a later date.
- 20.3 Payments to you are made in the currency of the UK at the time, to UK bank accounts by direct credit or, where specified, by electronic bank transfer.
- 20.4 Payments to you from your pension savings or pension drawdown will be made from the relevant cash account, unless the amount held in the cash account is insufficient to meet the payment in full, in which case we will sell investments to realise the difference.
- 20.5 For income payments, you can choose which investment fund (if you have more than one) you would like us to sell in order make the income payments. If you choose to do this, ongoing account charges and adviser charges will also be made from the chosen investment fund. If you do not provide us with instructions or your instructions cannot be applied (for example because the chosen investment fund has been exhausted) we will sell your investments on a pro rata basis. For other payments such as one-off adviser charges and taxable lump sums, where there are insufficient funds in the cash account to meet the payment, investments will be sold on a pro rata basis.

- 20.6 If there is more than one pension drawdown arrangement in your Retirement Account you can choose from which arrangement(s) income payments, one-off adviser charges, ongoing adviser charges expressed as a monetary amount and taxable lump sums are to be made from. If you do not give us instructions we will make the payment from the pension drawdown arrangement with the smallest value first. If this is insufficient to make the payment in full we will use the pension drawdown arrangement(s) with the next smallest value until the payment is made in full. For income payments and taxable lump sums, if this is still insufficient and you have pension savings you can also ask us to designate pension savings into pension drawdown in order to meet the payment(s) due.
- 20.7 We will deduct tax (if applicable) from your payments based on the personal tax code provided to us by HMRC before making payment to your nominated bank account. We will use the emergency code basis if your personal tax code has not been provided to us.

## 21. Transfers out of your Retirement Account

- 21.1 If you are a member, you can ask us to transfer out all of your pension drawdown and/or some or all of your pension savings held by your Retirement Account to:
- another registered pension scheme (if you are asking us to transfer out pension drawdown, the receiving scheme must offer Flexi-access pension drawdown);
  - buy a lifetime annuity; or
  - a qualifying recognised overseas pension scheme.
- 21.2 If you are a member, you can ask us to transfer out some or all of your pension drawdown and/or some or all of your pension savings held by your Retirement Account to buy a lifetime annuity.
- 21.3 If you are a beneficiary see section C35 for **beneficiaries'** rights to transfer out.
- 21.4 The transfer out value payable will be equal to:
- if you have asked for a partial transfer out, the full value of your pension drawdown and/or the monetary amount of your pension savings that you have requested after deduction of any fees or account charges due. However, if the residual funds do not meet our required minimum Retirement Account value (see section C23) after the deduction of any fees or account charges due, the whole value of The Retirement Account must be transferred out; or
  - if you have asked for a full transfer out, the full value of your pension drawdown and pension savings held by your Retirement Account once we have sold the investments held and deducted any fees and account charges due.
- We will not retain any value in drawdown and any holdings in suspended funds would need to be realised for the cash equivalent value at that time and included in the transfer. This could mean no value being transferred in relation to the suspended fund, with Canada Life retaining a ledger interest in any remaining dividend/settlement. When future distributions in relation to those suspended funds are received by Canada Life, these will initially be placed in a cash account before being transferred to your new drawdown plan.
- 21.5 Once we've received all the documentation necessary to make the transfer out payment, we will sell the relevant investments held by your Retirement Account, within five business days and pay that amount into the relevant cash account. We will then make the transfer out payment from the cash account.
- 21.6 If you choose to make a transfer out and you have previously instructed us to buy a Guaranteed Income, then only remaining pension drawdown and/or some or all of your pension savings can be transferred. A Guaranteed Income cannot be transferred to a new provider. Instead, it will be necessary for you to agree to transfer the legal ownership of your Guaranteed Income from the trustee to you, with the effect that you convert your Guaranteed Income inside your Retirement Account into a lifetime annuity with Canada Life Limited in your name outside of your Retirement Account. If you do not agree to do this, we cannot proceed with the transfer out of your pension drawdown, although you can still transfer out your pension savings.
- 21.7 The lifetime annuity will be on substantially identical terms to the Guaranteed Income. However, while you have flexibility over the use of the income generated by the Guaranteed Income (as described in section C16.5) as long as the Guaranteed Income remains inside your Retirement Account, once the Guaranteed Income has been converted into a lifetime annuity outside your Retirement Account, the income generated by the lifetime annuity must be paid to you. There will be no cash account attached to the lifetime annuity, so the income cannot be retained or reinvested as it can in the Retirement Account.

21.8 As well as the difference in the treatment of income, swapping a Guaranteed Income for a lifetime annuity will have tax implications for you and/or your dependants. Because of this, it is your responsibility to ensure that you have received adequate professional advice to enable you to decide whether or not to take a transfer of your pension drawdown where you have a Guaranteed Income.

## 22. Charges and limits

### Annual charge

22.1 We collect an annual charge. The charge is calculated using the value of, and taken from, the pension drawdown and (if you are a member) pension savings parts of your Retirement Account. The charge is calculated and deducted monthly from your Retirement Account and the amount deducted is one twelfth of the annual rate shown in your schedule of benefits applied to the total value of your investments and cash account(s). Your annual statement will confirm the annual charge that has been deducted.

### Investment charges

22.2 If you hold an investment, an annual investment charge will be deducted, on a daily basis, in determining the unit price of each investment fund.

22.3 Where additional expenses are taken directly from the investment funds, or from the underlying investments of the investment funds, these are taken into account when calculating the value of the investment funds.

22.4 These additional expenses are the normal costs, taxes, duties and other charges incurred in holding, purchasing, managing and selling the assets of the investment funds.

22.5 Details of any charges that are currently applied to any investment funds can be found on our website.

### Charges for additional services

22.6 We will charge for additional services outside of normal administrative activities on a time cost basis. We will give you notice that such a charge is to apply, and you can ask us not to proceed with the transaction. You can find the current time cost on our website. Examples include, having:

- (a) more than 12 investment switches or unit switches in any 12-month period; or
- (b) more than 12 ad-hoc income withdrawals and/or designations in any 12-month period; or
- (c) more than 12 unit statements in any 12 month period; or
- (d) more than 6 projections in any 12 month period.

### Changing account charges

22.7 We can make changes to the account charges associated with your Retirement Account, including introducing new account charges. We will give you notice of any change at least 60 days in advance.

22.8 We do not charge for **transferring out** your Retirement Account if we receive a written request from you to transfer out within 30 days of the notice we sent you about the change.

22.9 We will not make any changes to the charges applicable to a Guaranteed Income held in your Retirement Account after the Guaranteed Income start date.

## 23. Minimum Retirement Account value

23.1 If your Retirement Account reaches the minimum Retirement Account value, which can be found on our website, and there is no Guaranteed Income in payment, we can provide one month's notice that we intend to close your Retirement Account.

23.2 You may then choose to:

- (a) if you are aged 55 or over (or earlier if you have a protected early retirement age or if you are in ill-health and meet HMRC requirements) subject to a minimum age of 50, receive the remaining value as a lump sum. From 6 April 2028, the normal minimum pension age (NMPA) will increase from 55 to 57. This means that from this date, you will need to be aged 57 or older before you can start taking money from your pension;
- (b) (if you are a member) keep your Retirement Account open by making a transfer in or an additional contribution; or
- (c) instruct us to transfer out your remaining value to another registered pension scheme that is willing to accept it during that period.

23.3 If you do not provide any instructions to us we will sell the investments held in your Retirement Account and pay the resulting cash from the cash account into your nominated bank account, less any tax and other fees and account charges due. On making this payment your Retirement Account will be closed.

## Pensions-specific matters

### 24. Benefit Allowances

24.1 Before we designate any benefit under your Retirement Account and each time we designate benefits subsequently, HMRC rules require certain checks to be completed to establish whether a lifetime allowance charge is due. A check is also made in respect of amounts not previously designated and on investment growth in your pension drawdown arrangements when you reach age 75 and, in some cases, following your death. We (or the trustees or administrator of the scheme making a payment to us on your behalf) will require confirmation that the value of all your benefits:

- (a) already paid to you; and
- (b) in payment to you,

from all registered pension schemes, including from your Retirement Account, will not attract a lifetime allowance charge.

24.2 We cannot accept any liability if it is later discovered that you have become liable to pay a lifetime allowance charge.

### Lump Sum Allowance

24.3 From April 2024 the way pension benefits are tested when they come into payment has changed. Prior to this date individuals were able to save pension benefits up to the 'Lifetime Allowance'. Anything more than this limit, £1,073,100, had an additional rate of tax applied. The Lump Sum Allowance, set at **£268,275**, represents the maximum amount of tax-free lump sum an individual can take from all their pension benefits over their lifetime. Any amount of lump sum above this limit is taxed at the individual's normal rate of income tax.

### 25. Pension sharing orders and pension earmarking orders

25.1 If we receive a pension sharing or earmarking order applicable to your Retirement Account we will apply the order against your Retirement Account in accordance with the instruction provided by the court. Depending on the order, if you hold a Guaranteed Income, we may require medical and lifestyle information in respect of you and any dependant. If there are insufficient funds in your relevant cash account(s) to make any payment or transfer due, we will contact you for instructions in sufficient time to allow us to implement the payment or transfer in the timescales required by the court order. We will raise the necessary funds by selling investments:

- (a) firstly, in your pension drawdown investment account on a proportionate basis; and
- (b) secondly, to the extent your pension drawdown investment account is insufficient to implement the order, in your pension savings investment account on a proportionate basis.

25.2 Note that Guaranteed Income benefits may be cancelled or reduced and an equivalent value realised.

25.3 We reserve the right to make a charge for any additional costs we incur that are related to the order.

### 26. Unauthorised payments

26.1 Notwithstanding any provision to the contrary, nothing in this Retirement Account can require us to make an unauthorised payment and we shall have no liability to you in respect of any unauthorised payment that is made.

### 27. Taxation

27.1 We deduct from payments made under your Retirement Account any tax or levy that we or the trustee are required or entitled to deduct in accordance with law or HMRC requirements. Any income payments you receive from your Retirement Account are taxed under the Pay As You Earn system. We and the trustee are not liable for any loss that you incur as a result of the use of an incorrect tax code.

27.2 We can also deduct any taxation or levy for which we or the trustee might be accountable in accordance with law or HMRC requirements until our or the trustee's liability has settled – any remaining amount deducted from any proposed payment will be paid out by us following settlement of the liability.

27.3 We deduct from the relevant part of your Retirement Account any tax (including any charges relating to unauthorised payments) or levy imposed on us or the trustee that relates to the relevant arrangement(s). If a tax or levy is imposed on us or the trustee in respect of the plan as a whole, we allocate such proportion of the tax or levy to your Retirement Account as we consider reasonable.

## Death Benefits

### 28. Providing benefits on your death

- 28.1 The Retirement Account may pay out benefits in the event of your death.
- 28.2 Your beneficiary(ies) can (subject to meeting our eligibility requirements and relevant legal requirements in each case) use remaining pension drawdown (excluding any Guaranteed Income) and pension savings to:
  - (a) take a lump sum payment;
  - (b) buy an annuity with Canada Life Limited or any other annuity provider they choose;
  - (c) set up a beneficiary's Retirement Account (subject to the required minimum Retirement Account value (see section C23)) and if they choose to do so, take income from The Retirement Account (see section C34); or
  - (d) a combination of (a) to (c).

### 29. Providing for benefits on the death of your beneficiaries or their successors

- 29.1 The Retirement Account may pay out benefits in the event of the death of your beneficiaries or their successors.
- 29.2 If a beneficiary or a successor dies before all of their pension drawdown funds in their beneficiary's Retirement Account have been exhausted, then their successors can, subject to meeting our eligibility requirements and any relevant legal requirements in each case:
  - (a) take a lump sum representing the remaining pension drawdown funds;
  - (b) buy an annuity from Canada Life Limited or any other annuity provider they choose;
  - (c) set up a successor's Retirement Account (subject to the required minimum Retirement Account value (see section C23) and, if they choose to do so, take income from The Retirement Account (see section C34); or
  - (d) a combination of (a) to (c).

### 30. Choosing beneficiaries and successors

#### Beneficiary nomination

- 30.1 You can nominate one or more individuals to receive any remaining value in your cash account(s) and investment account(s) on your death.
- 30.2 We have discretion over the exact form of benefits and the beneficiary(ies) who will receive them.
- 30.3 Any nomination you make this way is not binding on us but will be considered carefully. You can change your nominations at any time by instructing us.

#### Nomination of a successor

- 30.4 Your beneficiary(ies) can nominate successors to receive any remaining pension drawdown funds (applied to provide benefits to that beneficiary) on their death and/or any remaining Guaranteed Income instalments in a guaranteed period.
- 30.5 We have discretion over the exact form of benefits and the recipients. Your beneficiary(ies) can let us know who they would like to receive benefits following their death by instructing us. Any nomination they make this way is not binding on us but will be considered carefully. The beneficiaries can change their nominations at any time by instructing us.

### 31. Notification of death

- 31.1 When we are notified of your death, we will stop the payment of any income and any ongoing adviser charges.
- 31.2 We will not pay any benefits following your death until we have received evidence we reasonably require confirming your death and the identity of the person(s) to whom the benefit will be paid.
- 31.3 After we've received confirmation of your death, we will sell all of the investments held for you and pay the proceeds into the cash account. We will do this within five business days of receiving all documentation. If you're paying regular contributions into your Retirement Account, we'll refund any contributions received after the date of your death.
- 31.4 Payments made in error due to a delay between death and death confirmation must be returned to us to be added to the cash account for distribution to your beneficiary(ies). Income generated from any Guaranteed Income and paid into the cash account after death will be deducted from the cash account or, if the value in the cash account is insufficient, we will require repayment of any overpaid income payments made in error. Income due from any Guaranteed Income dependant's **income or guaranteed income period**, between death and confirmation, will be credited to the cash account.
- 31.5 Once the proceeds from the sale of any investments are received, including any lump sum payable on your death under the Guaranteed Income, and any overpaid income has been returned, we will distribute the benefits to your beneficiary(ies). If overpaid income is not returned then the amount available for your beneficiary(ies) will be adjusted accordingly. Beneficiary(ies) can choose to take an immediate lump sum or invest the amounts into a beneficiary's Retirement Account.

### 32. Beneficiary's Retirement Account

If there is any residual value in your Retirement Account and your beneficiary(ies) have chosen not to take the whole amount as an immediate lump sum then (subject to the minimum Retirement Account value requirement being met) one or more Retirement Accounts will be set up for your beneficiary(ies) and the residual pension savings will be designated as Flexi-access pension drawdown within the beneficiary's Retirement Account.

### 33. Minimum age

The beneficiary(ies) do(es) not currently have to have attained a minimum age for a beneficiary's Retirement Account to be set up. We can introduce a minimum age in future. If we do so, details of the minimum age will be set out on our website.

### 34. Payments

- 34.1 The beneficiary(ies) can take income payments from their beneficiary's Retirement Account. Payments will be made from the cash account.
- 34.2 We set a minimum amount for both regular and ad-hoc payments of income that can be paid out to your beneficiary(ies). Details of the minimum amounts can be found on our website.
- 34.3 The beneficiary(ies) can ask us to use pension drawdown funds to buy a Guaranteed Income. However, we set a minimum age of 50 before they can do this.

### 35. Transfer of a beneficiary's Retirement Account

- 35.1 The beneficiary(ies) can transfer out their pension drawdown funds (including the cash account) within their Retirement Account to:
  - (a) another registered pension scheme
  - (b) an annuity provider; or
  - (c) a qualifying recognised overseas pension scheme.
- 35.2 However, if there are Guaranteed Income benefits in payment these may not be transferred to a new scheme or provider. Instead, the beneficiary(ies) will need to agree with us to transfer the legal ownership of the Guaranteed Income from the trustee to them, with the effect that they convert the dependant's income inside their Retirement Account into a lifetime annuity outside of their Retirement Account with us, in their name.
- 35.3 Where the Guaranteed Income includes guaranteed income period payments the income generation, including that where it is guaranteed over and above any dependant's income, must be exchanged for a lump sum prior to the transfer out of the beneficiaries' pension drawdown funds and may then be included in the pension drawdown funds which are to be transferred or paid out as a lump sum. If the dependant's income is 100% of the guaranteed income, then a lump sum will not be available.

## Part D. Guaranteed Income Terms

The terms in this section D apply to any Guaranteed Income that has been purchased using pension drawdown in your Retirement Account.

The Guaranteed Income is an insurance policy provided by Canada Life Limited. If you are eligible to do so (see section D2 below), you can direct the trustee to purchase a Guaranteed Income with certain options and benefits as chosen by you. The Guaranteed Income is issued to the trustee who receives the income paid and holds it for you within the pension drawdown in your Retirement Account.

### 1. Introduction

- 1.1 A Guaranteed Income is a promise that in return for a capital sum a guaranteed income will be paid into your Retirement Account for the rest of your life, as well as any additional dependant or beneficiary benefits to be paid following your death.
- 1.2 A Guaranteed Income is not a lifetime annuity, as it does not satisfy the conditions for a lifetime annuity as defined in the Finance Act 2004.
- 1.3 Each new Guaranteed Income will be underwritten based on the benefit options you choose, your personal circumstances, and the rates applying at the time.
- 1.4 We will suspend or end the availability of future Guaranteed Income policies to your Retirement Account if there are changes in, or our interpretation changes of, applicable pensions, tax or other law, legislation, regulation or industry codes of practice that mean we consider the cost of providing Guaranteed Income has become prohibitive to us. We will give you 30 days written notice so far as it is practicable to do so. The notice will take effect from the date stated in it.
- 1.5 The applicable schedule of benefits shows the options chosen and the amount of each benefit in respect of the Guaranteed Income.
- 1.6 A Guaranteed Income cannot be terminated or cancelled outside of the cancellation period, as explained in sections B14 to B15.

### 2. Eligibility

- 2.1 You have to be at least age 55 (or at least 50 if you have entitlement to a protected age or if you are in ill-health and meet HMRC requirements) and younger than age 85 to apply for a Guaranteed Income.
- 2.2 You can apply for a subsequent Guaranteed Income at any time with pension drawdown funds. If you do, then each new Guaranteed Income is a separate policy and will receive its own schedule of benefits and own policy number.
- 2.3 Details of the minimum amount which can be used to buy each Guaranteed Income can be found on our website.

- 2.4 There is an overall maximum amount that can be used to purchase Guaranteed Income. This maximum amount covers all Guaranteed Income policies purchased within your Retirement Account and other annuity policies that have been purchased from Canada Life (including Guaranteed Income purchased from us whilst trading as MGM Advantage / Retirement Advantage). The current maximum purchase amount and the products to which it applies can be found on our website.

### 3. Your information

- 3.1 We will rely on the information that you provide to us in order to issue the Guaranteed Income.
- 3.2 The information you provide must be correct on the Guaranteed Income start date. If any information received by us is deliberately or recklessly incorrect, the Guaranteed Income may become void or the benefits under it may be reduced, or may not be available to you.

### 4. Guaranteed Income Start Date

- 4.1 The Guaranteed Income start date is the date that we issue the Guaranteed Income to the trustee. The Guaranteed Income will be issued within five business days following the later of:
  - (a) there being sufficient funds in the relevant pension drawdown cash account; and
  - (b) the receipt of all relevant information (provided this information is received within the **quotation guarantee period**).
- 4.2 The Guaranteed Income start date will be different to the Retirement Account start date (see section C3.3).

### 5. Guaranteed income

- 5.1 Guaranteed income generated by the Guaranteed Income is paid to the cash account of the pension drawdown arrangement from which it was purchased on a regular basis. When you instruct us to buy a Guaranteed Income you can also specify payments are made to you from your Retirement Account that match the payments made into The Retirement Account from the Guaranteed Income.
- 5.2 You can choose the frequency of guaranteed income payments (monthly, quarterly, or yearly) when you apply for the Guaranteed Income. You cannot change the amount or frequency of guaranteed income at a later date. You may withdraw funds from the cash account at the same frequency or a different frequency and at the same level or a different level.

5.3 We pay Guaranteed Income on the Guaranteed Income reference date. The Guaranteed Income reference date is the 5th of the month following the 28th of a month immediately before the Guaranteed Income start date. For example, if the Guaranteed Income start date is 16th October, the Guaranteed Income reference date would be 5th October. Income is generated on the following dates known as income generation dates, depending on the frequency of income chosen, subject to the income generation dates being after the Guaranteed Income reference date:

- (a) for monthly frequency - on the 5th of every month;
- (b) for yearly frequency - on the yearly anniversaries from the 5th immediately before the Retirement Account start date; and
- (c) for quarterly frequency - every three months following the 5th immediately before the Retirement Account start date.

5.4 If you have chosen either quarterly or yearly frequencies, the first amount of guaranteed income is reduced in proportion to the number of months between the Guaranteed Income reference date and the first income generation date compared to three months and twelve months respectively. Subsequent guaranteed income amounts will be paid in full. If you have chosen monthly frequency then the first income generated amount is not reduced.

## 6. Increases to the Guaranteed Income

6.1 You may choose for the guaranteed income to increase each year on the next income generation date in one of the following ways:

- (a) Fixed Rate Increases – Each year the guaranteed income will increase by a fixed percentage, chosen by you at the start of The Retirement Account. Increases will be ‘compounded’. This means each increase will be based on the total benefit including any previous increases. You can choose a percentage in increments of 1% up to 10%. The first increase will be reduced proportionately for the number of months between the Guaranteed Income reference date and the 5th immediately before the next anniversary of the Retirement Account start date compared to 12 months. Subsequent increases will be applied in full.
- (b) Retail Price Index – Each year the guaranteed income will change in line with the increase in the Retail Price Index since commencement, with a guarantee that the income will not fall if the Retail Price Index falls. We will use

the Retail Price Index which is published two calendar months before the income generation date before the anniversary of the Guaranteed Income start date compared with the index published in the month before the Guaranteed Income reference date and apply any increase in the index to the initial guaranteed income. This will be the new level of guaranteed income applying from the next **escalation date**, unless this income is lower than the current guaranteed income, in which case the guaranteed income will remain unchanged.

### Dependant’s income

- 6.2 When you apply for a Guaranteed Income you can, at that time, opt to have an income payable to a dependant after your death (a dependant’s income).
- 6.3 Your dependant:
  - (a) must meet our minimum age requirement. This can be found on our website; and
  - (b) must be:
    - (i) your spouse or civil partner when the Guaranteed Income is purchased; or
    - (ii) an unmarried partner who is living with and financially dependant (or interdependant) on you when the Guaranteed Income is purchased.
- 6.4 You can choose to set the dependant’s income as 50%, 66%, 75% or 100% of your Guaranteed Income income. The applicable percentage is set out on the relevant Guaranteed Income schedule of benefits.
- 6.5 The dependant’s income will be set at the **relevant percentage** of your guaranteed income at the time of your death. If you have selected for the guaranteed income to increase each year then the dependant’s income will also increase in the same way.
- 6.6 If you have opted for a dependant’s income, on your death we will set up a separate beneficiary’s Retirement Account for the dependant. Dependant’s income payable from the Guaranteed Income will be paid to the cash account of that beneficiary’s Retirement Account. The dependant can choose to take income payments from the cash account, to retain the amount in the cash account, or use it to purchase investments.
- 6.7 The beneficiary’s Retirement Account will receive the first payment of dependant’s income on the next payment date after confirmation of your death or as soon as practical after.

- 6.8 The dependant's income will stop on the death of the dependant. If there is also a guaranteed income period and the dependant dies during this time, then payments at the level your guaranteed income will continue until the end of that period. (See section D7 below). If the first income payment was proportional and if the dependant dies before the end of any guaranteed income period, a corresponding partial payment will be made on the following income generation date to ensure full payment is made.
- 6.9 If your dependant dies before you, no dependant's income will be paid from the Guaranteed Income after your death.

## 7. Guaranteed income period

- 7.1 When you apply for a Guaranteed Income you can choose to include a guaranteed income period. This means that the guaranteed income will be paid for that guaranteed income period, even if you die in the meantime.
- 7.2 The guaranteed income period can be any number of whole years up to 30 years.
- 7.3 If you should die before the end of the guaranteed income period, on your death we will set up a beneficiary's Retirement Account for a beneficiary and the guaranteed income will continue to be paid to the cash account of that beneficiary's Retirement Account until the end of the guaranteed income period, unless your beneficiary opts to commute the guaranteed income period (see section D7.8).

### Guaranteed income period and a dependant's income

- 7.4 If there is dependant's income and a guaranteed income period and if you die during the guaranteed income period then the level of your guaranteed income is payable for the remainder of the guaranteed income period. At the end of the guaranteed income period the income will reduce to the level of the dependant's income if lower, provided the dependant is still alive at that time. If the first income payment was proportional, a corresponding partial payment will be made at the end of the guaranteed income period in respect of the excess of the guaranteed income above the dependant's income to ensure full payment is made. If at the end of the guaranteed income period the dependant is alive the dependant's income will be payable.

If the dependant is still alive on your death, then any guaranteed income will be paid to the cash account of the beneficiary's Retirement Account set up for that dependant.

- 7.5 Should your dependant have died during the guaranteed income period, or if you have not selected for a dependant's income to be paid on your death, then we will have discretion to decide who the beneficiary(ies) will be, and the Guaranteed Income payments for the remainder of the guaranteed income period will be paid to the cash account of the beneficiary's Retirement Account(s) set up for that person(s).
- 7.6 If a guaranteed income period applies, the guaranteed income will be paid until the end of the guaranteed income period or your death if later. If the first guaranteed income payment was on a proportionate basis, a corresponding additional payment will be made on the following income generation date to reflect this.

### Commutation of the guaranteed income period

- 7.7 If your Guaranteed Income includes a guaranteed income period, then your beneficiary(ies) will be able, at the point there becomes an entitlement to the benefit, to choose to exchange any outstanding guaranteed income instalments for a lump sum. This option will also be available where a beneficiary asks to transfer out their pension drawdown funds (see section C35.2).
- 7.8 Where your Guaranteed Income also includes a dependant's income only the income generation that is guaranteed over and above the dependant's income can be exchanged for a lump sum. If the dependant's income is 100% of guaranteed income, then a lump sum will not be available.
- 7.9 Any lump sum will be calculated by Canada Life and will take into account the remaining guaranteed income period, current income level, income generation frequency, any increases, and the economic conditions at the time. The lump sum will represent the discounted value of future payments and will be less than the sum of all payments. This option is also subject to being compliant with current regulations which may change over time.

## 8. Money back guarantee

- 8.1 When you apply for a Guaranteed Income, provided that you have not chosen to include a guaranteed income period, you can choose to include a money back guarantee.
- 8.2 You must choose what percentage of the value used to purchase the Guaranteed Income (the “**purchase price**”) you want to be protected by the money back guarantee (up to a maximum of 100% (the “relevant percentage”).
- 8.3 If, at the time of your death (or on the later of your death and your dependant’s death if your Guaranteed Income includes a dependant’s income), the total of the relevant percentage multiplied by the purchase price exceeds the total of guaranteed income and (if relevant, dependant’s income) paid to date, then we will pay the difference as a lump sum.

## 9. Pensions Business

- 9.1 The Guaranteed Income is classed as pensions business under section 58 of the Finance Act 2012 (or any subsequent legislation that replaces this Act). The purchase price of your Guaranteed Income must relate to pension business in the way described in section 58 of the Finance Act 2012.
- 9.2 If we discover that the purchase price did not meet these requirements, we may modify the Guaranteed Income policy in whatever way is necessary to ensure that HMRC does not impose any penalty on us.

## 10. Cancellation

You have the right to cancel purchases of Guaranteed Income using your pension drawdown funds (see section B15).

## Part E. Non-insurance Investment Terms

This section E sets out the terms that apply where we carry out transactions for you in respect of non-insurance investments.

Any non-insurance investments in your Retirement Account are owned by the trustee. In this section E, the words “you” and “your” refer to you in your capacity as agent for the trustee when you give investment instructions to us in relation to non-insurance investments.

### 1. Executing orders

- 1.1 If we accept an **order** inside a **dealing period**, we will carry it out as soon as reasonably practicable. If we accept an order outside a dealing period, we will carry it out as soon as reasonably practicable after the start of the next dealing period.
- 1.2 Once we have accepted your order we cannot accept any responsibility for any actual or potential financial loss or expense that you incur if, for any reason (other than our negligence), there is a delay or change in market conditions before the execution of your order is complete.
- 1.3 We will execute each order in accordance with the regulatory requirements and the rules of any market on which the deal is effected.
- 1.4 We carry out orders in accordance with “best execution”. “Best execution” is our obligation under the regulatory requirements to take reasonable steps to obtain, when executing orders, the best possible results for our clients.
- 1.5 We will carry out your orders in accordance with our Order Execution Policy which sets out the arrangements that we have put in place to ensure that we meet our “best execution” obligations. You consent to our Order Execution Policy by agreeing to these terms and conditions. For further details around Our Best Execution Policies, please refer to the latest Order Execution Policy which you can obtain by visiting our website.
- 1.6 If you give us specific dealing instructions in relation to an order and we agree to execute your order in accordance with those instructions rather than in accordance with our Order Execution Policy, it may not be possible for us to obtain the best result that would otherwise be available to you at the time of the deal, and the dealing terms you receive may be adversely affected.
- 1.7 You authorise us to execute deals on your behalf outside of a regulated market or multilateral trading facility when we believe it is in your best interests to transact in this way.

- 1.8 When we carry out a deal, we may combine your order with those of other clients. This is called “order aggregation”. We may aggregate your order where we reasonably believe that the aggregation is unlikely to work overall to your disadvantage. However, the result of the aggregation may be to your disadvantage in relation to a particular order compared to if we had bought or sold your non-insurance investments separately.
- 1.9 We may treat each order in more than one type of non-insurance investment, or each order to deal at different times in the same type of non-insurance investment, as separate orders, in which case account charges will apply separately to each deal.
- 1.10 If, after an order is placed on your behalf on a market, we cancel any dealings in the relevant non-insurance investment where we are asked by that market to do so, we will not be liable for any actual or potential financial loss you incur as a result. In particular, we reserve the right to cancel any duplicate or repeated deals that you give to us where the circumstances indicate that the deal has been split into a number of smaller deals to take advantage of any market limitations or restrictions.
- 1.11 Where we carry out a deal for you, we will do so on your behalf. We will not enter into deals with you or with any other person as principal.

### Deal confirmations

- 1.12 We will send you a **trade confirmation** for each deal no later than the business day following that on which your order is executed, or, where that order was carried out by a third party on our behalf, no later than the business day after that on which we receive the relevant confirmation from that third party.
- 1.13 You can ask us at any time for an update on the status of any order you have placed.
- 1.14 Our deal records are conclusive. This means that, in the absence of any obvious error, the information held on our computer systems and the trade confirmation for that deal are the only valid evidence of the deal.
- 1.15 If you become aware or believe that information in a trade confirmation or on our systems is incomplete or incorrect, you must tell us as soon as possible so that we can rectify any missing or incomplete information.
- 1.16 You authorise us to send you information about executed deals on a deal-by-deal basis.

## 2. Settlement

- 2.1 Where we carry out a deal for you, and subject to section E2.4, your relevant cash account and investment account balances will reflect the cash proceeds and the non-insurance investments relating to that deal once the trade settlement is complete following the **settlement date**. There may occasionally be a delay between the settlement date and the date the trade actually settles for reasons outside of our control, for example, liquidity issues within the non-insurance investments.
- 2.2 If you owe us any amounts in relation to a deal, we may use the sale proceeds in relation that deal to meet such outstanding amounts.
- 2.3 If a **corporate action** results in non-insurance investments being due to or from you, your account will be updated in line with the terms of such corporate action, as notified to you at the time.
- 2.4 It is your responsibility to ensure that:
  - (a) the relevant cash account contains sufficient funds to pay amounts due from you in settlement; or
  - (b) the relevant investment account contains sufficient non-insurance investments available in your account in order to complete a deal.
- 2.5 If you do not comply with section E2.4, we may:
  - (a) treat any outstanding deal as having been cancelled;
  - (b) apply all relevant account charges for carrying out that deal;
  - (c) require you to reimburse us for the cost of buying in non-insurance investments in order to settle a deal, together with any associated costs and fees which we incur;
  - (d) claim from you the total amount that you owe us together with interest on that amount at a rate of 3% over the base rate of the Bank of England (calculated on a daily basis) from that date until payment in full has been received; and/or
  - (e) to the extent permitted by regulatory requirements, retain, transfer or sell any of your non-insurance investments, and apply the proceeds towards settling the total amount owed by you. Any shortfall will still be due from you.

## 3. Our rights to use your non-insurance investments and cash

- 3.1 We reserve the right to pass your details on to a third party for debt collection purposes if we reasonably believe that any amount owing to us by you will not be paid.
- 3.2 If we reasonably believe that you will be unable to make payments when due, we may, where regulatory requirements allow, retain, transfer or sell any of your non-insurance investments so far as is reasonably necessary:
  - (a) to settle any transactions entered into on your behalf; or
  - (b) to pay any of your outstanding liabilities, arising under this agreement or any other arrangement you have with us.

### Our rights of “set off”

- 3.3 If:
  - (a) we owe you money, including under this agreement or another agreement with us; and
  - (b) you have failed to pay us any amount that you owe us under any agreement that you have with us;we may, where regulatory requirements allow, use the money that we owe you to reduce or repay the amount you owe us. This is called a “set off right”.
- 3.4 We may use our set off right even if the amount you owe us is dependent on another event or has not yet become due, if we reasonably think that you will be unable to pay us when the amount does become due.
- 3.5 We may use our set off right without telling you in advance if we reasonably think that you will do something to prevent us from obtaining repayment by set off, or if we have otherwise agreed with you that we can do so.

## 4. Trade confirmations, valuations and statements

- 4.1 We will send you a trade confirmation by close of business on the business day following your deal. If you do not receive a trade confirmation you should not repeat your instruction. Instead, you should contact us for more information.
- 4.2 We will send you a statement and valuation of non-insurance investments and cash held in your Retirement Account at least annually. This will show the value of non-insurance investments and the basis on which that value has been calculated. If you would like an additional statement at any time, please contact us to arrange this.

## 5. Correcting errors

- 5.1 If we make a mistake when we carry out your instructions to execute a deal we may provide you with or send you a trade confirmation that shows our mistake. When we have corrected our mistake, we will provide you with or send you a trade confirmation that will show the steps we have taken to correct the mistake. If you suspect an error has been made on your account you must contact us immediately in order for us to investigate.

## 6. Risk warnings

- 6.1 Before you ask us to execute a deal, you must read the risk warnings that we provide in the Key Features Document.

## 7. Holding your non-insurance investments

- 7.1 Non-insurance investments in your investment account are owned by the trustee. The trustee may appoint a custodian to hold the non-insurance investments. The **custodian** will register ownership of your non-insurance investments in the name of either:
- (a) the trustee;
  - (b) a **nominee company** (which may or may not be controlled by the custodian depending on whether the nominee company is appointed by the custodian or by a sub-custodian or depository). The nominee company will have legal title to the non-insurance investments and you will retain beneficial ownership at all times; or
  - (c) in the name of a sub-custodian or depository.

## Part F. Investment Policy Terms

This section F sets out the terms that apply to the investment policy held within your Retirement Account. An investment policy is issued to the trustee and the trustee is the policyholder.

In this section F, the words “you” and “your” refer to you in your capacity as agent for the trustee when you give instructions to us in relation to insurance funds linked to the investment policy.

### 1. Introduction

- 1.1 This investment policy is a pension investment policy issued to the trustee of The Retirement Account as a UK registered pension scheme. It is issued by Canada Life Limited.
- 1.2 This investment policy is designed to give you exposure to the performance of insurance funds. It does this by allowing you to choose which insurance funds you want the investment policy to be linked to. Those insurance funds are divided into units which go up and down in value in line with the performance of the insurance fund. We will use the value of units in those insurance funds to calculate the value of the benefits that we pay under the investment policy.
- 1.3 There may be limits that apply to the investment policy and to your ability to choose insurance funds. These can be found on our website.

### 2. Premiums

Premiums will be paid from the relevant cash account.

### 3. Insurance funds and units

- 3.1 The purpose of the insurance funds and units is to provide a way for us to calculate the value of the benefits payable under the investment policy.
- 3.2 All insurance funds are divided into units of equal value. Each **unit** is a notional share of the insurance fund. The references to the insurance funds and units are made solely to work out the benefits payable under the investment policy.
- 3.3 An insurance fund will either be an **internal fund** or an external fund. The difference between the two is the type of asset that they invest in and the management of the underlying assets that make up the insurance funds.
- 3.4 We, or another company within the Canada Life group, own in our own right all assets of the insurance funds.
- 3.5 The assets of an internal fund are managed by Canada Life Asset Management Limited or an investment manager inside or outside the Canada Life group. Each external fund is linked to an underlying fund operated by an external company.

All the assets of the external funds are owned by us. Any contracts in relation to external funds will be between the external companies and us. There is no contractual relationship between the external companies and you.

- 3.6 The investment policy can be linked to any insurance fund which is available, as set out on our website. When a new insurance fund is added to our fund range we will add details of the insurance fund to our website.
- 3.7 Neither you or anyone else entitled to benefits under the investment policy will have any rights whatsoever in the insurance funds or in any of the assets it holds. These will always remain our property.
- 3.8 We may create additional units or cancel existing units but this will not affect the value of any units that are linked to the investment policy.

### 4. Insurance fund closure or suspension

- 4.1 The fund manager may decide to withdraw, close or combine external funds. We, Canada Life Asset Management Limited or the investment manager may decide to withdraw, close or combine internal funds.
- 4.2 If units in such an insurance fund are allocated to the investment policy we will make a unit switch of those units for units in another insurance fund that has similar characteristics. We will not charge for this.
- 4.3 We will try to tell you at least one month before we withdraw, close or combine an insurance fund. If it is not possible for us to do that, we will give you as much notice as we can.
- 4.4 We can suspend insurance funds. The actions we take depend on the circumstances of the suspension. We will notify you about the suspension of an insurance fund as soon as we can.

### 5. Valuation of insurance funds

- 5.1 Each business day we will calculate the maximum and minimum value of each insurance fund. Where it is not possible to value an insurance fund on a particular business day, it will be valued on the next practical business day.
- 5.2 The maximum value we place on assets in the insurance funds is the market price for which they could be bought plus any dealing and other related costs that we may pay on purchase.
- 5.3 The minimum value we place on assets in the insurance funds is the market price for which they could be sold, less any dealing and other related costs that we may pay on sale.

- 5.4 In valuing the insurance funds we will make allowance for:
- (a) the deduction of any tax on its investment income;
  - (b) the deduction of all expenses and payments in connection with its investments; and
  - (c) the annual management charge.
- 5.5 The expenses and payments include management, investment management, maintenance and property valuation expenses, mortgage interest, custody and bank charges and any borrowing costs.
- 5.6 We take the value of an asset as follows:
- (a) for a listed security, we base the value on the price quoted on the relevant stock exchange we have chosen;
  - (b) for real properties we base the value on a valuation prepared and certified by our appointed independent valuers. After talks with our valuers these values may change to allow for rising income and expenses and changes in property prices between the valuations, and
  - (c) for external fund assets each external company values its own funds at its complete discretion and then provides us with a price or prices, which we use in valuing the external fund. Where an external company cannot provide us with a price we will not be able to value the external fund until a price is next available.

## 6. How we calculate the insurance fund unit price of each insurance fund

- 6.1 We will use the insurance fund **unit price** to credit and cancel units for this investment policy. We will calculate the insurance fund unit price of each insurance fund within the following limits:
- (a) the minimum insurance fund unit price is calculated by dividing the minimum value of the insurance fund, as determined under section F5.3, by the number of units of that insurance fund at the time of the valuation. The minimum insurance fund unit price will be rounded to the nearest 0.0001 of a penny, with 0.00005 rounded up to the higher 0.0001; and
  - (b) the maximum insurance fund unit price is calculated by dividing the maximum value of the insurance fund, as determined under section F5.2, by the number of units of that investment fund at the time of valuation. The maximum insurance fund unit price will be rounded to the nearest 0.0001 of a penny, with 0.00005 rounded up to the higher 0.0001.

- 6.2 The insurance fund unit price is determined by whether more units are being credited to the insurance fund than cancelled from it. If so, the purchase price of assets will be more relevant than the sale price, as we will be buying more assets than we are selling. However, if more units are being cancelled than credited, the sale price of assets will be more relevant than the purchase price, as we will be selling more assets than we are buying.

## 7. How units are allocated to, and cancelled from, the investment policy

- 7.1 If you instruct us to buy insurance funds, the relevant value from the cash account will be paid as premium under the investment policy and we will allocate units in the manner described in this section F7. If you instruct us to sell insurance funds, we will make a surrender under the investment policy and cancel units in the manner described in this section F7. If you instruct us to sell insurance funds, we will pay the proceeds of the sale into the relevant cash account as soon as practicable after we have received your valid instruction.
- 7.2 For each premium paid we will allocate a number of units, from your chosen insurance fund, to the investment policy. The number of units added to the investment policy is rounded to the nearest 0.000001 of a unit, with 0.0000005 rounded up to the higher 0.000001.
- 7.3 For any surrender or partial surrender we will cancel a number of units, from your chosen insurance fund within the investment policy. The number of units cancelled from the investment policy is rounded to the nearest 0.000001 of a unit, with 0.0000005 rounded up to the higher 0.000001.
- 7.4 The number of units added to, or cancelled from, the investment policy, for each of your chosen insurance funds, is calculated in the following way:
- (a) we multiply the premium by the proportion to be invested in that insurance fund when allocating units to the investment policy; and
  - (b) we multiply the amount being surrendered by the proportion to be disinvested in that insurance fund when cancelling units from the investment policy, and divide the resulting amount by the insurance fund unit price as soon as practical after receipt of the premium or, in the case of a cancellation of units from the investment policy, as soon as practical after we receive the instruction to surrender.
- 7.5 The amount realised for a surrender of units is calculated as the number of units surrendered multiplied by the insurance fund unit price rounded to the nearest 0.0001 of a penny, with 0.00005 rounded up to the higher 0.0001.

## 8. Insurance fund unit switching

- 8.1 You can ask us to make a unit switch of some or all of the units in a particular insurance fund which are allocated to the investment policy for units in a different insurance fund.
- 8.2 If you only ask us to switch some units of a fund; the value of the units being purchase, as well as those remaining in the original fund, must not be below a minimum level. Otherwise we may refuse to carry out your request to unit switch. The minimum level is set out on our website and can change.
- 8.3 There is no charge made for unit switches.
- 8.4 We may introduce a charge for unit switching in the future if the administration costs incurred by us for dealing with unit switching requests increases. We will normally give you three months' written notice by publicising it on our website. If it is not possible for us to give you three months' notice, we will give you as much notice as possible. Alternatively you can contact us before deciding to unit switch.
- 8.5 If we carry out your request to unit switch, it will be processed as soon as practicable after we receive your fully and correctly completed request.
- 8.6 We may delay carrying out a request to unit switch if the insurance funds concerned invest directly or indirectly in freehold or leasehold property or land or non-sterling securities. Please refer to section F10.
- 8.7 The number of units allocated after the unit switch will be calculated so that their value is equal to that of the units being cancelled, less any charge for unit switching described in section F8.4.
- 8.8 You can tell us the proportion of units you want to switch from a fund and which fund or funds you want the proceeds to be invested in, with proportions if more than one. On the **valuation day** we will sell the required number of units, subject to them being available to sell. Alternatively you can tell us the amount you want realised from a fund, up to a maximum amount we may impose and we will sell a sufficient number of units to meet the amount, based on the insurance fund unit price on the valuation day, subject to there being a sufficient amount to sell. You may make the choice in respect of the holding of a selected arrangement or holdings across arrangements.
- 8.9 The number of units cancelled or amount realised and the number of units bought is calculated in the way described in section F7.

## 9. Charges

### Fund management charge

- 9.1 A fund management charge, expressed as an annual percentage of the fund but deducted daily, will be taken from the insurance funds when they are valued. It is reflected in the insurance fund unit prices. For external funds the annual fund management charge is inclusive of charges applying to the underlying fund.
- 9.2 The amount of this charge depends on the insurance funds you have chosen.
- 9.3 We can increase or reduce this charge if the amount charged by a fund manager changes. If we increase this charge we will write and tell you. We will normally give you three months' written notice of such a change by publicising it on our website. If it is not possible for us to give you three months' notice, we will give you as much notice as we can.
- 9.4 The current fund management charges and any changes to these charges can be found on our website.
- 9.5 There are additional expenses including the normal costs, taxes, duties and other charges incurred in holding, purchasing, managing and selling the assets of the insurance funds. Where additional expenses are taken directly from the insurance funds, or from the underlying assets of the insurance funds, these are taken into account when calculating the value of the insurance funds.

## 10. Special actions we can take

- 10.1 We may delay:
  - (a) the valuation, cancellation and allocation of units under the investment policy; and
  - (b) the valuation of units and payment of benefits under the investment policy;
  - (c) if there is insufficient liquidity in the underlying assets of the insurance fund and/or if there are events or circumstances beyond our reasonable control that prevent us from determining the value of the units. This may happen where the insurance funds concerned invest directly or indirectly in freehold or leasehold property or land or non-sterling securities.
- 10.2 We will not delay beyond six calendar months.
- 10.3 We will write and tell you if we are going to delay.

## 11. Death benefits

- 11.1 On your death, we will pay a death benefit equal to the value of the units in the investment policy. This death benefit will be paid into the cash account.

## Part G. Definitions

This section explains what various expressions used in these terms and conditions mean. Where they are used they are shown in bold in the text.

**Account charges** means the charges that we take for our provision of **The Retirement Account** as set out in section C22.

**Adviser Charge(s)** means a fee that you agree to pay to your financial adviser in return for the advice (or related services) you receive from them in relation to The Retirement Account.

**Allocate** means linking **units** to the **investment policy** for the purposes of calculating its value.

**Agreement** means this **agreement** which is made up of:

- (a) the **application** you completed to buy The Retirement Account;
- (b) these **terms and conditions**;
- (c) the **schedule(s) of benefits**; and
- (d) any other documents stated to form part of the agreement or amending the agreement.

**Application** means the application form for your **Retirement Account**.

**Authorised person** means any person you have authorised to provide written instructions on your behalf, including your financial adviser, any **discretionary manager** appointed in accordance with section B3, and/or any person appointed under a power of attorney. However, we will need to see evidence of the authority given.

**Beneficiary** means a person who will receive some or all of your Retirement Account benefits on your death and includes a dependant, **nominee** and/or **successor**.

**Beneficiary's Retirement Account** means a separate Retirement Account set up for a **beneficiary**.

**Business days** means a day, excluding Saturdays and Sundays, on which banks in England are open for business;

**Canada Life** means Canada Life Platform Limited as scheme administrator of The Retirement Account or Canada Life Limited as insurer of the investment policy and/or **Guaranteed Income**.

**Cancel** means ceasing to link units to the investment policy for the purposes of calculating its value.

**Cash account(s)** means each account for holding cash within The Retirement Account. Each **pension savings** arrangement and **pension drawdown** arrangement has its own **cash account**.

**Client asset rules** means the rules contained in the Client Assets chapter of the FCA Handbook.

**Contributions** mean **contributions** to The Retirement Account made by you, your employer and/or a **third party** and treated as contributions under Finance Act 2004.

**Corporate action** means any rights issue, take-over, merger, capital reorganisation, conversion, subscription rights or similar event affecting your **non-insurance** investments.

**Custody agreement** means the separate agreement in relation to the safeguarding and administration of non-insurance investments entered into between the trustee and **custodian**.

**Custodian** means a third-party appointed by the **trustee** to safeguard and administer your non-insurance investments.

**Deal** means the purchase of, sale of, or subscription for non-insurance investments.

**Dealing period** means, in respect of non-insurance investments, the period during which a **deal** can take place on the relevant market, which for UK markets the **dealing period** is 8.00 a.m. to 4.30 p.m. on each **business day**.

**Dependant** means your spouse or civil partner or an unmarried partner who is living with and financially dependent (or interdependent) on you. Where the term is used in relation to a Guaranteed Income the individual must have been a **dependant** at the time it is purchased.

**Dependant's income** means income payable to a dependant under the Guaranteed Income in accordance with section D6.2.

**Designation** means designating some or all of your pension savings into pension drawdown as described in section C17.

**Discretionary management charge** means any charge that we pay to your discretionary manager in accordance with section B11.

**Discretionary manager** means any discretionary investment manager specified by us as capable of being appointed by you in respect of your Retirement Account.

**Disqualifying pension credit** is where a pension credit transfer in originates from previously crystallised funds, this means that no **pension commencement lump sum** is payable in respect of these amounts when you request for benefits to come into payment.

**Employer** means your current **employer**.

**Escalation date** if you have chosen for the amount of income generated by the Guaranteed Income to increase each year, then the **escalation date** is the day this increase will take place. This is the next income generation date on or after each anniversary of the Retirement Account **start date**.

**Event or circumstance beyond our control** means any event or circumstance which is outside our control including, but not limited to, any one or more of an act of God, earthquake, storm, flood, lightning, fire, explosion or similar natural events; power failure; failure or disruption of a computer system or other equipment, including electronic mail systems and telecommunications; failure or disruption of any relevant stock exchange, including depositories, settlement systems or markets; strike, lockout, other industrial action or other interference with work; nationalisation, expropriation, prohibition, intervention, direction or embargo; imposition by any governmental or quasi-governmental authority of currency restrictions, exchange controls or other charges or restraints affecting this agreement; inability or delay in obtaining

governmental or quasi- governmental approval, consent, permit, licence, authority or allocation; intervention by an exchange or regulator; or act of war (declared or undeclared), terrorism, insurrection, revolution, civil disturbance, riot, blockade or other disturbance.

**External fund** means any **insurance fund** that is not managed by us, but instead is linked to funds of external companies.

**Flexi-access pension drawdown** means drawing amounts as income from pension drawdown while keeping the remaining value in the pension drawdown arrangement invested, with no limit on the amount that can be withdrawn (until pension drawdown is exhausted).

**Fund manager** means the authorised **fund manager** of any insurance fund.

**Guaranteed Income** means any guaranteed income bought by the trustee in accordance with section D.

**Guaranteed Income start date** has the meaning given in section D4.

**Guaranteed income** means income paid to the **member** under a Guaranteed Income as described at section D5.

**Guaranteed income period** means any period for which income under a Guaranteed Income is guaranteed to continue being paid as described in section D7.

**HMRC** means Her Majesty's Revenue and Customs.

**Initial adviser charge** means a fee that you agree to pay to your financial adviser upon your initial investment in The Retirement Account for their advice and any related services in connection with The Retirement Account.

**Insurance fund unit price** means the price we will use to **allocate** or **cancel** units from the investment policy. See section F7.2 for more details.

**Insurance funds** means any **internal fund** or **external fund** set out on our **website** as an available insurance fund from time to time. Each insurance fund is a separate and identifiable fund.

**Internal fund** means any unit-linked fund comprising of underlying assets that is managed by Canada Life Asset Management Limited or an **investment manager** inside or outside the Canada Life group.

**Investment account(s)** means each account for holding **investments** within The Retirement Account. Each pension savings arrangement and pension drawdown arrangement has its own investments **account**.

**Investment fund** means the insurance fund or any fund comprising non-insurance investments.

**Investment manager** means a company appointed by us to manage internal funds on our behalf.

**Investment policy** means any **unit** linked investment policy issued to the trustee in accordance with section F.

**Investments** means non-insurance investments and insurance funds held within The Retirement Account.

**Market** means the financial **market** on which non-insurance investments can be bought or sold. This will usually be the fund manager of the relevant **non-insurance** investment;

**Member** means the individual named as member in the **schedule of benefits**.

**Minimum Retirement Account value** means the minimum value that must be held in The Retirement Account as stated on our website from time to time.

**Money purchase annual allowance** or **MPAA** is the maximum amount that can be paid into your defined contribution pension in one year, once you have flexibly accessed your benefits. More information can be found in section C13.15.

**Nominated bank account** means an account with a bank or building society that you are the account or joint account holder for. This will be the account that you choose to have your pension benefits paid into, as well as make payments from.

**Nominee company** means a body corporate whose business consists solely of acting as a **nominee** holder of investments or other property.

**Nominee** means a person you have nominated to receive any remaining value in your **cash account** and **investment account** on your death.

**Non-insurance investments** means shares in open-ended investment companies and shares or units in other funds and other equity investments as specified by us from time to time.

**One-off adviser charge** means a one-off charge that you agree to pay to your financial adviser after the Retirement Account start date for advice or related services that they provide to you in connection with The Retirement Account.

**Ongoing adviser charge** means a regular fee that you agree to pay to your financial adviser for their ongoing advice and any related services in connection with The Retirement Account.

**Order** means an instruction from you asking us to execute a deal on your behalf.

**Pension commencement lump sum** means a lump sum that can be taken from a **registered pension scheme** that is tax free when a member's pension savings are designated as pension drawdown. Usually the pension commencement lump sum is up to 25% of the amount designated.

**Pension drawdown** means the portion of your Retirement Account that has been designated.

**Pension savings** means the portion of your Retirement Account that has not been **designated**.

**Plan** means the Canada Life Pension Plan, which is the registered pension scheme under which your benefits are provided.

**Plan rules** means the trust deed and rules (as amended from time to time) which govern the **plan**.

**Purchase price** has the meaning given in section D8.2.

**Qualifying recognised overseas pension scheme** means an overseas pension scheme that meets certain HMRC requirements.

**Quotation guarantee period** means the period of time a Guaranteed Income quotation is valid for, which we will communicate to you when we provide you with the relevant quote.

**Registered pension scheme** means a pension scheme registered under Part 4 of the Finance Act 2004 (or any subsequent legislation that replaces that Act).

**Regular contribution adviser charges** means a fee that you agree to pay to your financial adviser on each regular investment in The Retirement Account for their advice and any related services in connection with The Retirement Account.

**Regulator** means the Financial Conduct Authority, the Prudential Regulation Authority, the Pensions Regulator and any other **regulator** having jurisdiction over **Canada Life** and/or The Retirement Account.

**Regulatory requirements** means (a) any obligation that applies under any law or regulation (including any tax legislation or rules made by a regulator), or as the result of a decision by a court, ombudsman or similar body; or (b) any obligation under any industry guidance or codes of practice which we follow; or (c) any other legal or **regulatory requirement**; which, in each case, is applicable to this agreement and/or our or the trustee's provision of The Retirement Account to you.

**Relevant percentage** means the percentage of the purchase price that you want to be protected by the money back guarantee. More information can be found in section D8.2;

**Retirement Account** means the self-invested personal pension provided to you in accordance with the agreement.

**Retirement Account start date** means the date that your Retirement Account comes into force as described in section C3.3.

**Schedule of benefits** – the schedule we issue to you when:

- (a) we accept your application for a Retirement Account;
- (b) (if you are a member) we accept a transfer in to your Retirement Account;
- (c) (if you are a member) we make a new arrangement under your Retirement Account;
- (d) Canada Life Limited issues an investment policy to be held for your Retirement Account;
- (e) Canada Life Limited issues a Guaranteed Income to be held for your Retirement Account;

together with any amendments to it.

**Security details** means any password, personal identification number, or other confidential security information required in order to access your Retirement Account and/or to give us instructions.

**Settlement date** means, in relation to a deal, the delivery of the relevant non-insurance investments to the buyer by the seller and delivery of the purchase price by the buyer to the seller.

**Successor** means the person who will receive any remaining beneficiary(ies) Retirement Account benefits on the beneficiary(ies) death.

**Terms and conditions** means this document.

**Third party** means a person other than you or your **employer**.

**Trade confirmation** means a written record, giving the details of a deal, including all **account charges** applicable to that deal and the total amount payable by or to you in **settlement** of that deal.

**Transfer in** means a transfer of value from another registered pension scheme or a **qualifying recognised overseas pension scheme** to The Retirement Account.

**Transfer out** means a transfer from The Retirement Account to another registered pension scheme or a qualifying recognised overseas pension scheme.

**Trustee** means Canada Life SIPP Trustee Limited, or any successor appointed as trustee of the plan under the plan rules.

**UFPLS** means an uncrystallised funds pension lump sum as defined in paragraph 4A of Schedule 29 of the Finance Act 2004, which is a lump sum payment made directly from your pension savings. 25% of this lump sum will be paid tax free with the remaining 75%, subject to the deduction of income tax.

**Unauthorised payment** has the meaning given in section 160 of the Finance Act 2004. Broadly, it is any type of payment which if made would give rise to an unauthorised payment tax charge under the Finance Act 2004 (or any subsequent legislation that replaces this Act).

**Unit switch** means where we cancel units in one insurance fund and replace them with an **allocation** of units in different insurance fund. See section F9 for more details.

**Units** mean the units of an insurance fund. It is one of the equal parts into which the insurance fund is notionally divided for the purpose of recording the benefits that are due to under the investment policy. See section F4 for more details.

**Valuation day** means the day we calculate the value of the units in each insurance fund in order to process certain requests, pay claims and to carry out the normal functions of the investment policy. The **valuation day** may have to be delayed under section F13.

**Website** means our website at [www.canadalife.co.uk](http://www.canadalife.co.uk).

# About Canada Life

Canada Life has been providing retirement solutions for our customers for a long time.

We've actually been in the UK since 1903, looking after the retirement, investment and protection needs of customers. We're here to help you get ready for your retirement with confidence, by making things clear and straightforward.

Our vision is to help build better futures and be a world class financial services provider. Putting customers at the heart of everything we do and working in line with our values of people, excellence, integrity and together.

Visit [www.canadalife.co.uk](http://www.canadalife.co.uk) to find out more.

## What you can expect from Canada Life

Great service, support and financial strength.

At Canada Life we believe in being here to support you through retirement, so we make it our mission to make the process of dealing with us as easy and as smooth as possible. To show our commitment to service excellence, we have introduced a Service Charter. We're also proud of our heritage and our financial strength.

We've been around for a long time. In fact, we were founded in 1847 in Canada, making us the oldest Canadian life assurance company. Canada Life is part of Great-West Lifeco Inc., one of the largest Canadian life and health insurance companies.

Great-West Lifeco serves several million people worldwide, providing a wide range of retirement savings and income plans, as well as comprehensive protection contracts for individuals and families.



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