

Trustee Investment Plan

Key Features

This document shows the main points about your Trustee Investment Plan. Please read it with your Personal Example and keep it with the documents relating to your Trustee Investment Plan. The Personal Example shows what you may get back from your investments. A glossary of terms is available at the end of this document.

The Financial Conduct Authority is the independent financial services regulator. It requires us, Canada Life Limited, to give you this important information to help you to decide whether the Trustee Investment Plan (TIP) is right for you. You should read this document carefully so that you understand what you are buying and then keep it safe for future reference.

Key Features



Trustee Investment Plan (TIP)

The Canada Life TIP (the **Plan**) is designed for trustees of UK registered pension schemes to potentially increase the value of their investments over the medium to long term (five years or more). It provides the opportunity to link the performance of the **Plan** to assets such as stocks and shares, property, government bonds, corporate bonds or cash. The **Plan** is designed to provide trustees of a UK registered pension scheme with assets so as to purchase pension benefits for the members when they retire. It also allows individuals of Self Invested Personal Pensions (**SIPPs**) to direct the trustees/administrators of these plans to purchase Canada Life funds holding these assets on their behalf.

Aims, your commitment and risks

Its aims

- To use the tax advantages available to investments under a pension plan.
- To increase the value of the money invested.
- To allow investment in a fund or range of funds.

Your commitment

- You invest at least £15,000.
- If you want to, you can make additional one-off or regular single payments during the time you keep your investment in Canada Life fund(s).
- The **Plan** is designed as a medium to long term investment but you will decide how long to invest for.

Risks

- The value of your **Plan** can go down as well as up and you may get back less than you invested. The amount you get back will depend on the performance of the funds you choose, how long you invest for, our charges and any withdrawals you make from the **Plan**.
- If you cancel the **Plan** within 30 days, you may get back less than you paid in.
- Some of our funds have higher risks and may invest, for example, in emerging markets which may make your investment more risky. Currency fluctuations can also affect how funds perform. For a full list of the funds available visit www.canadalife.co.uk, or call us on 0345 6060708.
- If you invest in the property fund or any fund which holds property, we have the right to delay switching any amounts out of the fund or paying claims for up to six months if we think this is necessary to protect our other policyholders' interests.
- On a day we value the **Plan**, more money may be moving out of the funds than into them. In this instance for each fund in which you invest, the value of the whole fund may reduce to allow for the estimated costs of selling the underlying assets.

Questions and answers

What is the TIP?

- A TIP is an investment product designed for trustees looking to invest a sum of money over the medium to long term. It provides the opportunity to link the performance of the **Plan** to assets such as stocks and shares, property, government bonds, corporate bonds or cash.
- The main purpose of investing in the **Plan** is to build-up a value to provide pension benefits when a scheme member retires.
- Details of the **Plan**, such as the payment(s) and estimated value are shown on the Personal Example which accompanies this document.

Investments into the **Plan** can be made at any time by trustees of a:

- Self Invested Personal Pension (**SIPP**);
- Small Self Administered Scheme (**SSAS**); or
- Final Salary Occupational Pension Scheme (**OPS**).

Professional adviser charges/fees

- Your professional adviser may have agreed a charge with you for any advice provided in relation to investments into the **Plan**. Adviser charges cannot be facilitated through the **Plan** but can still be arranged by you and your professional adviser on a separate basis. The Personal Example, however, will not include these charges.

How much can you pay in?

- At the outset, you state how much you wish to pay into your **Plan**. The minimum amount you can pay in to start a **Plan** is currently £15,000.
- The minimum single additional amount you can pay into an existing **Plan** is £15,000.
- You can pay regular amounts into the **Plan** from the start or after the **Plan** has already started. Minimum regular payments are:

Every month £1,250	Every three months £3,750
Every six months £7,500	Every year £15,000

- You can start, stop or vary the amount and frequency of the regular payments at any time. The initial regular payment must be by cheque with all later payments being made using a direct debit mandate.
- The minimum reduction or increase is £250, and the minimum amount of each payment is shown above. The amounts invested are shown in the Personal Example.

How does the TIP work?

- We use your investment to buy units within the fund (or funds) of your choice. You can see how much of your money has been used to buy the units in the Personal Example. The fund(s) you choose may invest in stocks and shares, bonds, property or cash. The value of these assets will dictate the value of the units your money has purchased. The income those assets produce (such as dividends or rent from property) also increases the value of the units.

What might you get back?

- The Personal Example shows what you might get back at various future anniversaries of the **Plan**.
- The **Plan** is designed for medium to long term investment, that is over a minimum of five years. You should not invest money in a **Plan** if you might need the money for the payment of scheme administration and other fees.
- If you decide to cash-in your **Plan** we will pay a cash amount into the scheme bank account equal to the value of the units in the **Plan** at the next valuation day. See glossary of terms.

Can money be taken out?

Yes, there are a number of ways that you can take money out of the **Plan**.

Regular withdrawals

- You can withdraw regular amounts from the **Plan**. You can do this every month, every three months, every six months or every year. The lowest amount you can withdraw in a year is £250. The most you can withdraw regularly is 10% each year of the amount you paid into the **Plan**.
- You can spread the amount you withdraw regularly across all the funds you invest in or withdraw the amount from up to five funds.
- You can also withdraw funds as a chosen monetary amount subject to this being taken from a maximum of 5 funds.

Partial surrenders

- The minimum amount you can take as a partial surrender is £250.
- There is no maximum partial surrender amount.
- You can take a partial surrender as an amount spread across all the funds you invest in or you can take it from up to five funds.
- Or also as a chosen monetary amount subject to this being taken over a max of 5 funds.

Full surrender

- You can fully surrender the **Plan** at any time.

Where and how is my money invested?

- Your money is invested in the Canlife Series 4 pension fund(s) you choose or have been directed to choose as a trustee by the member (SIPPs).
- Each fund is divided into 'units' of equal value. We use your money to buy units in the chosen fund or funds.
- You can invest in up to 10 funds at any one time for each single or regular payment investments.
- Currently, you can switch the value of your units between funds as many times as you like. This is subject to a maximum of 10 separate funds for each payment made.

What funds are available?

- We offer a full range of funds which cover the major geographical areas and sectors as well as some specialist funds. Your choice of funds includes funds managed by Canada Life Investments as well as a wide range of funds managed by other companies.
- The funds you can choose from have different objectives and risks. Your professional adviser can help you choose the fund(s) most likely to meet your investment needs. You can find out more about the funds available by visiting www.canadalife.co.uk.
- We also offer a phased investment option where you may gradually move money from one group of funds to another over a defined period. For more information please visit www.canadalife.co.uk.

What happens if a pension scheme member dies before they retire?

- When a member of a SSAS or OPS dies before their scheme retirement date, part of the **Plan** can be surrendered by the trustees to provide spouse/ dependant benefits. In the case of a SIPP (a one member arrangement), the **Plan** could be totally surrendered.

Questions and answers

What are the charges?

- You will pay a charge for us to manage your **Plan** and for the investment manager to manage the investment fund(s) you choose. The charges you pay may increase if the cost of managing your **Plan** increases. If this happens we would normally give you three months' written notice.
- **Initial charge** – if the first single premium is below £50,000, a one-off charge of £250 is payable.
- Annual management charge (AMC) – **the Plan has an annual management charge equal to 1% of the Plan value which is reduced to 0.4% for the first five years by applying a rebate of 0.6% to your Plan.** The charge is reflected within the unit price of the funds you invest in and the rebate is applied at the end of each complete month that the **Plan** is active. At the end of five years the rebate is increased to 0.65% and the annual management charge is 0.35% a year from then on.
- **Investment management charge** – each fund has its own investment management charge that (together with additional miscellaneous expenses) is calculated and deducted from the fund each day. The overall charge is referred to as the total expenses ratio.
- This charge is calculated and deducted on a daily basis by cancelling units from each fund.
- The payments are linked to our pension series 4 funds. For details of fund charges visit www.canadalife.co.uk.
- The Personal Example(s) that form part of this document show the current charges we apply to your **Plan**, and how these affect your overall investment. Charges are subject to regular review by us and may be different in the future from those shown on your Personal Example(s) now. The Personal Example does not form part of your contract

What about tax?

- Pension funds do not pay UK tax on capital gains and income except for any withholding tax, such as the tax on dividend income from UK equities. This is deducted by the dividend payer before payment is made to your fund(s) and cannot be reclaimed by the fund manager.
- This information about taxation is based on our understanding of current UK law which may change in the future. Cancellation notices must be returned to:

What is the cancellation period?

- You have the right to change your mind and cancel the **Plan** under the Financial Conduct Authority Cancellation Rules within 30 days of receiving the document 'Cancellation Form' from us.
- If you do decide to cancel the **Plan**, we will take any fall in the value of your investment from your refund before paying it out to your pension scheme bank account. If the value of your investment has increased, we will return your original investment only.

How will you be able to tell how the Plan is doing?

- Visit our website at www.canadalife.co.uk to see the prices of each fund we offer. You can also ask for the prices by calling our New Business team on **0345 3452220**.
- Every six months we will send a statement to the first trustee named on your application form showing the value of each investment. A copy will also be sent to your current professional adviser. If there are no trustees named, we will send the statement to the scheme administrator.

How to contact us

You should contact your professional adviser in the first instance.

If you have any questions or you want to change your **Plan** you can contact us in the following ways:

Call us
0800 032 7690

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



By email
customers.ra@canadalife.co.uk



By post

Canada Life
Customer Centre
PO Box 4993
Worthing, BN99 4AE



Online
www.canadalife.co.uk/retirement-account



Further information

How to complain

If you need to complain about any part of the service we have provided, please write to us at the address on page 8.

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

Financial Ombudsman Service

Exchange Tower
London E14 9SR

Tel 0800 023 4567

Web www.financial-ombudsman.org.uk

Email complaint.info@financial.ombudsman.org.uk

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

Compensation

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

The cover under the FSCS is normally 100% of the value of the claim with no upper limit.

Where you have chosen to invest in funds managed by any of our external fund partners, your investment will be held within our life fund, not directly in the external fund. This means that if one of the fund partners was unable to meet its obligations, you would not be able to seek compensation directly from them. If this happens, we are able to act on behalf of our policyholders but our rights to seek compensation from an external fund manager are not as comprehensive as those of an individual who invested directly.

For further information on the scheme you can write to the FSCS or visit their website.

The Financial Services Compensation Scheme

10th Floor, Beaufort House
15 St Botolph Street
London EC3A 7QU

Tel 020 7741 4100 or 0800 678 1100

Web www.fscs.org.uk

Email enquiries@fscs.org.uk

Governing Law

English law applies to this Plan.

Terms and conditions

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

The terms are based on our understanding of current legislation as at January 2021 and could be subject to change in the future. We suggest you seek your own independent tax advice.

Glossary of terms

- **Canada Life / provider / the company / we / us / our**
All these mean Canada Life Limited.
- **Final salary occupational pension scheme (OPS)**
This is a scheme organised by an employer to provide pension benefits for their employees. It is sometimes called a company pension scheme. This is the most common type of defined benefit scheme. It means that the pension paid to the member is based on how much they are earning when they retire. This amount could be an average over their last few years of work.
- **Member(s) / they**
The member(s) (they) are the beneficial owners of the investments in a Trustee Investment Plan (TIP).
- **Personal Example**
This is also referred to as your key facts document which shows the details of your investment, charges and projected values.
This document does not form part of your contract.
- **Scheme investment portfolio**
This means the range of investments across the whole pension scheme and includes your TIP.
- **Scheme bank account**
Each pension scheme that can invest in a TIP has its own bank account where cash in the scheme is held.
- **Self Invested Personal Pension (SIPP)**
In this type of pension scheme the member has a say in the scheme's investments. The member may employ somebody to make these decisions for them. A SIPP allows you to have a wide range of investments in your pension fund.
- **Small Self Administered Scheme (SSAS)**
This is a self administered occupational pension scheme with no more than 12 members. The scheme will normally be run for a family business. Self administered does not mean that the members run the scheme. The trustees or an investment manager decide how the assets are invested. These schemes must meet special conditions, such as having a pensioner trustee, before they can be approved.
- **Trustees**
These are the legal owners of all the investments including a TIP in a registered pension scheme. They hold the investments for the benefit of the member(s).
- **UK registered pension scheme / pension scheme / scheme**
This is any pension scheme registered with HM Revenue & Customs (HMRC).
- **You / your / trustee / SIPP member**
This is the individual member of a Self Invested Personal Pension (SIPP) or trustee / scheme administrator of a Small Self Administered Scheme (SSAS) or Final Salary Occupational Pension Scheme (OPS).



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