

KEY FEATURES

of the Group Pensionbuilder Plan (Retirement Benefits Section)

Important information you need to read

The Financial Conduct Authority (FCA) is a financial services regulator. It requires us, Scottish Widows, to give you this important information to help you to decide whether our Group Pensionbuilder 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.

These Key Features should be read with the enclosed illustration. The plan is held for your benefit by the Scheme Trustees.

ITS AIMS

- To build up a sum of money in a tax-efficient way, to help support you financially in retirement.

YOUR COMMITMENT

- To make the agreed payments. See “What payments can be made to my plan?”.
- If the plan includes life cover, you must answer all questions in the application honestly and fully.

RISKS

- The value of the plan can go down as well as up and could fall below the amount(s) paid in.
- What you'll get back isn't guaranteed. The illustration shows, in today's prices, the final fund values and benefits that might be payable when you retire. These would be lower than illustrated if, for example:
 - not all the payments are made
 - investment performance is lower
 - the cost of buying your pension is higher
 - you start taking your pension earlier than your selected retirement date
 - the charges are higher
 - inflation is higher than we've assumed
 - tax rules change.
- If you take pension encashments, this will reduce the value of your plan. High levels of pension encashments may not be sustainable and could reduce the value to zero.

- The plan invests in our unitised With Profits Fund. The value of the plan can fall as well as rise. For example, we can apply a Market Value Reduction. You can find more details about the fund including its risks in our booklet called “Your guide to with-profits”.
- If the Trustees cancel the plan within 30 days of receiving the cancellation notice and the value of the plan has fallen, the amount returned may be less than was invested.
- If the plan includes life cover, we may not pay any claim, have to amend the terms of your cover or, at worst, cancel your cover if you:
 - don't answer the questions honestly
 - give us incomplete or misleading answers, or
 - you do not advise us of a change in the information you provided in response to our questions prior to the date we have agreed the terms of your cover.
- If you transfer from another pension plan, you could lose any guaranteed benefits and may not be able to return to it.

Jargon Buster

Inflation

The effect of inflation reduces the value of money over time, as the following example illustrates:

	The future value of £1,000, assuming inflation is 2% each year
Today	£1,000
After 10 years	£820
After 20 years	£672

QUESTIONS & ANSWERS

What payments can be made to the plan?

- Monthly and single payments can be made by you and your employer. Transfer payments from other pension plans can also be accepted.
- Your payments are collected by your employer from your pay and forwarded to Scottish Widows.
- You and your employer can normally change the amount of monthly payments, or make additional single payments, at any time. If payments stop or decrease, it will reduce what you might get back. You can ask the trustees for further details.
- Minimum payments apply and can change from time to time. Please contact us for details.

Where are the payments invested?

- Payments, less any charges, and excluding any life cover costs, are used to buy units in the unitised with profits fund. The units are like shares of the fund.
- The value of each unit isn't directly related to the value of the fund, but depends on the bonuses and reductions that we decide to apply to the fund.
- We work out the value of the plan based on the total number of units it has. Its value can fall as well as rise, for example if we apply a Market Value Reduction. However, the fund offers guarantees at the retirement date shown in the plan documents.
- You can find out more details in our booklet "Your guide to with-profits".

How can I take my benefits?

- You can start taking your benefits from your normal retirement age. The trustees may allow you to take benefits earlier, although normally not before age 55 (57 from 6th April 2028) unless, for example, if you're in ill health. The age from which you can start taking benefits from your pension may change.

- Subject to the trustees' agreement, you could choose from the following options:
 - take the full value of your plan as a pension encashment, and/or
 - buy one or more annuities or
 - transfer all of the funds to another policy which, for instance, may allow income drawdown. This type of plan allows you to keep the value of your pension fund invested, but take a taxable income.
- The value available to provide benefits will depend on a number of things, for example:
 - how much is paid in
 - how long the investments are held for
 - investment performance
 - the charges and expenses.
- Up to 25% of any pension encashment will be tax free. For further details on tax, please see "What about tax?".
- When you buy an annuity you can normally choose to take up to 25% of the value taken as a tax-free cash sum. This will reduce the income from the annuity. Your illustration(s) will give you an indication, in today's terms, of how much income you might receive if you choose to buy an annuity with your pension fund.
- Rather than take an annuity or income drawdown from Scottish Widows, you can take these from another pension provider.

Jargon Buster

Annuity

This provides an income for life, the amount of which depends on circumstances when it's bought including:

- interest rates
- your age
- how long people are expected to live.

The annuity can be bought from us or another provider. Different types of annuities are available.

- For more details of all your options at retirement, please speak to a financial adviser or go to our Retirement Explained website www.scottishwidows.co.uk/retirement/retirement-explained

What happens to the plan if I die before I have taken all my benefits?

- The value of the plan will be paid to the trustees to provide benefits to your dependants or beneficiaries. The value of the plan will be the total of the value of units and the amount of any life cover then applying.
- The Trustees can decide to pay the value as a lump sum, or use part or all of the value to provide dependants' income for your husband, wife, registered civil partner or other dependant.
- You may at any time tell the Trustees, in writing, the name of a person or persons to whom you would like benefits paid, although this will not be binding on them.
- Please see Policy Provisions for further details.

What are the charges?

- We charge for managing and investing the plan. We take our charges partly out of the payments and partly out of the value of the plan.
- Your illustration shows our current charges, and how they could affect what you might get back.
- We can increase most of the charges we make if:
 - a tax rule or law change significantly increases our costs or significantly decreases our income from charges;
 - there are exceptional circumstances which we could not reasonably have foreseen resulting in either our costs being significantly more, or our income from charges being significantly less, than we anticipated.

We will give you three months notice if we increase our charges.

What about tax?

- Contributions you make qualify for tax relief. Your contributions are taken out of your pay before tax and automatically reduce the tax you pay on your earnings. Your tax relief may depend on your main place of residence in the UK as advised by HMRC for each tax year. If you are a Scottish or Welsh taxpayer, the relief you will be entitled to will be at the Scottish or Welsh rate of income tax, as applicable.

- Each year, tax relief is available on payments which don't exceed your relevant UK earnings, or £3,600 if higher. Any payments you make which are not eligible for tax relief will be refunded.
- If you take a pension encashment or flexibly access your benefits, tax relief will only be available on contributions up to the Money Purchase Annual Allowance. This is currently £10,000. If you pay in more than this to any money purchase pensions you will be subject to an annual allowance charge.
- If you take a pension encashment, you will receive up to 25% tax free with the remainder subject to income tax. There may be a significant delay in receiving any tax which you reclaim from HMRC.
- If you buy an annuity or transfer to an income drawdown plan, you can normally take up to 25% of the amount used as a tax-free cash sum. Annuity payments and any income paid from an income drawdown plan will be subject to income tax.
- The total of all tax-free lump sums you can take from your pension plans will normally be capped at the Lump Sum Allowance, currently £268,275. If you have a protected tax-free lump sum or previously applied to HMRC for certain protections, you may be entitled to a higher amount.
- If you die before you are 75, we will pay a lump sum or income to any dependants or beneficiaries and this will normally be tax free. The total of all tax-free lump sums that can be paid from all of your pension plans, including lump sum death benefits, will normally be capped at the Lump Sum and Death Benefit Allowance, currently £1,073,100. If you've previously applied to HMRC for certain protections, you may be entitled to a higher amount.
- Although the value of pension funds are not generally subject to Inheritance Tax, in certain circumstances the value of death benefits may be subject to tax charges. As this is a complex area you should contact your adviser or tax office for further guidance.
- Our unitised with-profits fund is generally free of UK income and capital gains tax.
- Tax charges will normally apply if the Government's 'Money Purchase Annual Allowance', 'Tapered Annual Allowance' or 'Annual Allowance' is exceeded. Please seek financial advice.

- The value of the tax benefits of your plan depend on your individual circumstances. Your circumstances and tax rules may change in the future.
- If your country of residence is not the UK, the laws and rules of the country in which you reside could affect the plan, including the benefits you can receive. You should speak with legal and/or tax professionals in your country of residence for full details.

Jargon Buster

Relevant UK earnings

This means employment income, income derived from carrying on a trade, profession or vocation, and patent income.

How will I know how the plan is doing?

- We'll send the trustees a statement each year. You should regularly review the plan to check if it remains on track for your needs.
- You can ask the trustees to contact us for an up-to-date valuation of the plan.

What if I leave my employer's service?

- Monthly and single payments will stop and any life cover provided will stop.
- You can normally choose to keep the value of the plan invested with Scottish Widows, or to transfer the value to another pension arrangement.
- The trustees will provide full details of the options available to you.

Can I change my mind?

- If you change your mind, you should tell the Trustees as soon as possible. They can cancel your plan within 30 days of receiving the cancellation notice from us. We'll return all payments less, for any single and transfer payments, any fall in their value.
- It may not be possible to return the value of any transfer payment to your previous pension plan. You may have to take out a new plan.

HOW TO CONTACT US

The Trustees can phone or write to us.

Call us on **0345 755 6557** during the following times:

Monday to Friday 9am–5pm

We may record and monitor calls to help us to improve our service.

Website **www.scottishwidows.co.uk**

Office address Scottish Widows Limited
PO Box 24171
69 Morrison Street
Edinburgh
EH3 1HL

- We'll communicate with you in English.

OTHER INFORMATION

How to complain

If the Trustees ever need to complain, they should contact us. If they're not satisfied with our response, they can complain to:

The Financial Ombudsman Service
Exchange Tower, London E14 9SR

Tel **0800 023 4567**

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

Website **www.financial-ombudsman.org.uk**

- Complaining to the Ombudsman won't affect your legal rights.

Terms and Conditions

- These Key Features give a summary of the Scottish Widows Group Pensionbuilder Plan (Retirement Benefits Section). Further details of the benefits, charges and conditions are given in product literature, and Policy Provisions, which are available from us.
- We may change some of the terms and conditions at any time and the trustees will be informed about any changes that affect the plan.

Law

- For legal purposes the law of England and Wales, Scotland or Northern Ireland will apply normally according to the location of the registered address of your employer.
- This information represents Scottish Widows' interpretation of the law and HM Revenue & Customs practices as at date of publication. Changes to tax rules and other laws may affect the contract terms.

Solvency and Financial Condition Report (SFCR)

Our SFCR provides information on the performance and management of our business, including its financial strength. It's produced each year and is available on our website at: www.scottishwidows.co.uk/about_us/financial_information/solvency-2-returns.html

Financial Services Compensation Scheme (FSCS)

- Your plan with Scottish Widows is fully covered by the Financial Services Compensation Scheme. More information about compensation arrangements is available from the Financial Services Compensation Scheme, who can be contacted on **0800 678 1100** or **0207 741 4100** or via their website at www.fscs.org.uk/contact-us



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