# Pension Annuity
# Product summary



This guide is designed for professional financial advisers only. It is not intended for retail customers.

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# The L&G Pension Annuity at a glance

Our Pension Annuity provides a guaranteed income for life, giving your client security and peace of mind.

It offers flexible payment options, such as level or increasing income, and a choice of death benefits, so it can be tailored to meet your client's specific needs and goals.

Clients with certain lifestyle factors, such as smoking or high blood pressure, or those with more serious health conditions, may qualify for an enhanced annuity, which could mean a higher income for life.

| Investment limits | |
|---|---|
| **Minimum investment** | £10,000 – after taking any tax-free cash and deducting any adviser charge. |
| **Maximum investment** | Any – if the investment is over £1m, in some circumstances the quote may be referred to our underwriting team. Any investment over £2m, will need to be agreed by L&G. |
| **Investment method** | From a UK Registered Pension Scheme by either:<br>• Immediate Vesting Personal Pension transfer (IVPP) – this enables L&G to pay any Tax-Free Cash.<br>• Open Market Option transfer (OMO) – any Tax-Free Cash is paid by the ceding scheme. |

| Age limits | |
|---|---|
| **Minimum** | 55 (rising to 57 in April 2028).<br>A Pension Annuity may be taken out before age 55 if your client has a special occupation or is in ill health. |
| **Maximum** | Open Market Option's – no max.<br>Immediate Vesting Personal Pension's – 85. |

| Term | |
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| **Plan term** | For life. |

## Income

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| **Payment frequency** | Monthly, quarterly, half yearly and yearly.<br><br>In advance or in arrears. |
| **Level or increasing income** | • A fixed income that stays the same every year.<br>• An income that increases by a fixed percentage, up to and including 10% each year.<br>• An income that increases in line with the Retail Prices Index (RPI).<br>• An income that increases in line with RPI capped at 5%, known as Limited Price Indexation (LPI). |

## Death benefits

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| **Guaranteed minimum payment period** | Allows the income payments to continue to be paid to your client's beneficiary or to their estate until the end of the guaranteed minimum payment period. The guaranteed minimum payment period can be up to a maximum of 30 years. |
| **Spouse/Dependant's benefit** | Upon your client's death, a percentage of their annuity income can continue to be paid to a financially dependent partner or spouse / civil partner. Depending on the annuity type, this could be on a named or any-spouse / civil partner basis, and will continue for the rest of their life.<br><br>• Choose a continuation percentage between 1% and 100%.<br>• Available on a named or any-spouse/civil partner basis. |
| **Value protection** | Your client can protect all or part of the amount used to buy the annuity. When they die, we'll pay a lump sum for the amount protected, minus any payments already made.<br><br>• Choose a protection percentage between 1% and 100%.<br>• Paid on either the death of the annuitant or death of the last survivor (if appropriate).<br><br>**Important: We won't pay a lump sum if the income your client has already received is more than the amount they protected.** |
| **Proportion** | Available on annuities payable in arrears. |
| **Overlap** | Available when both a guaranteed minimum payment period and a Spouse / Dependant's benefit are chosen. |
| **No death benefits** | When no death benefits are selected, no further income payments will be paid following the death of your client. Choosing no death benefits will increase the amount of the income payments. |

## Death benefits

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| **Combined death benefits** | • Your client can combine a Spouse / Civil partner / Dependant's benefit and a guaranteed minimum payment period.<br>• Your client can combine Spouse / Civil partner / Dependant's benefit with Value protection.<br>• Value Protection is payable either on death of annuitant or death of last survivor. If death of annuitant is chosen, the total percentage of Spouse / Civil Partner / Dependant's benefit and Value protection cannot exceed 100%.<br>• Your client can't combine Value Protection with a guaranteed minimum payment period. |

## Agent remuneration

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| **Adviser charge** | For IVPP transfers, the amount to be paid can be stated as a percentage or pounds amount of:<br>• The tax-free cash sum.<br>• The amount after the tax-free cash has been taken off.<br>• A combination of both.<br><br>For OMO transfers, the amount paid will be a percentage or pounds amount from the net consideration. |
| **Commission** | Commission (via an intermediary) or an introducer fee (via a Deal Partner arrangement) may be payable. Commission is only available where a personal recommendation has not been given. There are no scenarios where both an adviser fee and a commission fee are charged on an individual policy. |



# Target market and unsuitable clients

| Policyholder attribute | Target market | Unsuitable clients |
|---|---|---|
| **Age** | The product is available for any age from 55 (rising to 57 in April 2028) with no upper age limit. But we expect most customers to have purchased the annuity before they're 76. | Under age 55 (apart from where the client has a protected lower retirement age or they are retiring on the grounds of ill health or special occupation).<br><br>Over 85 if written in the form of IVPP. |
| **Fund size** | The product is available for total net consideration of £10,000 or above. We anticipate that most customers will exceed £10,000. | Customers with total net considerations less than £10,000 (unless they are from Deal partner Guaranteed Annuity Rate (GAR)/ Guaranteed Minimum Pension (GMP) arrangements where our minimum is currently below £10,000). |
| **Health status** | Although all health statuses are eligible to purchase the product and those in ill health may be able to benefit from an enhanced rate, our target market is for customers who have a life expectancy of at least 3 years unless their policy has appropriate death benefits that enables value for money<br><br>Eligibility for enhanced rates may be influenced by the following considerations:<br>• Lifestyle factors such as – height, weight, postcode, smoker status, alcohol consumed.<br>• Health & medical factors such as – diabetes, heart conditions, neurological conditions, cancer, stroke, blood pressure, cholesterol. | Customers who are under 75 with a life expectancy of less than one year (who are eligible to take their pension pot as a tax-free lump sum) and haven't included any death benefits on their policy, signalling poor value for money. |
| **Length of investment** | Customers who are looking for a guaranteed income that lasts the rest of their life. | Customers who are not looking for a guaranteed income that lasts the rest of their life. |

| Policyholder attribute | Target market | Unsuitable clients |
|---|---|---|
| **Likely attitude to/ capacity for risk** | Clients who do not want the value of their investment to fluctuate. They want set returns to be able to budget in advance.<br><br>Must be aware of inflation risk on fixed level of income.<br><br>Clients must know that a Pension Annuity is non-transferable and that no amends to features can be made unless cancelled within the cooling off period. | Clients looking for potential capital growth levels that are more likely to be achieved through investment risk.<br><br>Clients needing instant access to cash or in need of an emergency cash fund via their annuity.<br><br>Clients who believe they can fully or partially cash in their annuity income as and when they choose.<br><br>Clients who believe they can change their features after the cancellation period ends. |
| **Source of funds** | Proceeds of a Defined Contribution pension (such as Personal/Stakeholder and Occupational Pension Schemes).<br><br>Defined Benefit pension, and the capital value exceeds £30,000 then this will only be accepted as advised only (providing the adviser has the correct permissions). | Defined Benefit pension transfers that don't meet regulatory requirements.<br><br>Overseas residents (unless they're Internal or Deal Partner arrangement customers). |

# L&G's approach to vulnerable customers

We understand that customers can experience vulnerability at any time in their lives. Circumstances can change suddenly or slowly, either temporarily or permanently. We are dedicated to identifying and supporting customers who need extra care.

We consider vulnerable customers at every stage of the customer journey. By learning from customer feedback and industry best practice, we continually enhance the support we provide to those who need it most.

We are committed to providing additional support to vulnerable Pension Annuity customers at every stage of the servicing journey.

## How we support vulnerable customers:

- Vulnerability is a key consideration in all product design, literature, and process improvements.
- We use clear, straightforward language across every communication channel and avoid jargon.
- We have robust oversight and controls in place to ensure the fair treatment of vulnerable customers.
- We proactively record and share relevant vulnerability information (with consent, where needed) so every interaction is tailored to the customer.
- Regular training ensures all staff, both new and existing, have the skills to recognise and assist customers in vulnerable circumstances.
- Extensive consumer testing with diverse customer groups helps us confirm that our products, services, and communications are understandable and accessible.
- Intermediaries are expected to comply with their obligations to treat vulnerable customers fairly.

# Get in touch

We have a range of information and support at **legalandgeneral.com/adviser/annuities**

Meet our team at **legalandgeneral.com/adviser/annuities/distribution-team**

## Quote queries

We have a dedicated team of specialists available to assist you with any quote requests or to discuss any queries.

You can email the team at:

**broker.annuityquotes@landg.com**

You can call the team on:

**0345 071 0040**

Lines are open Monday to Friday, 9am to 5pm.

We may record and monitor calls. All our call centres are UK based. Call charges may vary.

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We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

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