

ReAssure it's what we do

Member's Booklet

For Use With:

Portfolio Plus Pension

Portfolio Plus Self Invested Personal Pension

This is an important document. Please keep it safe for future reference.

This document should be read in conjunction with the Terms Sheet.
Together these items form the terms and conditions of your contract.



ReAssure

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1. Introduction



Explanation of terms

A number of terms are used frequently in this booklet. For ease of reference these terms are shown in **green** and an explanation of their meanings can be found in the Glossary.

References within the booklet to other parts of the booklet are in bold. Where this document refers to 'ReAssure' or 'we' it means 'ReAssure UK Services Limited', as scheme operator, or 'ReAssure Limited' as the scheme provider and insurer.

1.1. Membership of the scheme

Your membership of the scheme, and your entitlement to benefit under it, is confirmed by a **membership certificate** or certificates which was issued to you when you joined the scheme. This booklet and the **Terms Sheet** set out the terms and conditions applying to your membership of the scheme.

1.2. Arrangements under the scheme

The scheme provides benefits for many members, of whom you are one. Each member may have one or more pension **arrangement**, which provides their benefits.

If you do have more than one pension **arrangement**, they do not have to have the same **selected retirement date** and you may have more than one **membership certificate**. Each pension **arrangement** will have a separate membership number.

You will also have an additional Self-invested Personal Pension (SIPP) membership number if you have self-invested assets.

The terms and conditions in this booklet should then be read as applying separately in respect of each **arrangement**, except for refund of contributions as described in **2.7**.

1.3. Contacting us about your pension arrangement

If your pension only has insured arrangement/s, you should use the following details to get in touch:

ReAssure
Windsor House
Telford TF3 4NB
Phone: 0800 073 1777

If your pension has self-invested arrangement/s (even if it also has insured arrangement/s), you should use the following details to get in touch:

ReAssure SIPP
2nd Floor
Fitzalan House
Fitzalan Court
Fitzalan Road
Cardiff CF24 0EL
Phone: 0345 646 0381
email: reassuresipp@mercerc.com

You should quote your membership number and SIPP membership number (where appropriate) in any correspondence or enquiry.

1.4. Changes in circumstances

Some of the features described in this booklet apply differently to people in different circumstances. You must tell ReAssure if:

- you cease to be resident in the United Kingdom, or
- you cease to have **relevant UK earnings** or having ceased to have **relevant UK earnings**, you start to have them again, or
- you joined the scheme in connection with an occupation before 6 April 2006, and your occupation allowed you to have an exceptionally early retirement age under **HMRC** rules, and you have since left that occupation, or
- you cease to be entitled to receive tax relief on your contributions to the scheme.

1.5. Contracts (Rights of Third Parties) Act 1999

The provisions of this booklet and the **scheme policy** are not intended to be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 (the Act) by anyone who does not have an **arrangement** under the scheme. Any power of ReAssure to terminate or amend the provisions of the declaration of trust and/or **scheme rules** or the **scheme policy** shall not require the consent of a member or any other person who may be or become entitled to benefits under the scheme by virtue of the above Act unless this booklet or the declaration of trust and/or rules expressly provide their consent is required.

2. Payments into the scheme

2.1. Payments into your arrangement

Payments made to your **arrangement** for pension benefits may be any one or more of the following:

- Regular contributions
- Single contributions
- Transfer payments.

Regular and single contributions may be paid to the scheme by you or on your behalf by your employer or another person. They must be paid in a form and by a method acceptable to ReAssure. Transfer payments can also be made to the scheme. You can find out what forms and methods are acceptable by contacting ReAssure or your adviser. The conditions applying to payments are set out in the following sections

2.2. Regular contributions

Regular contributions into an **arrangement** can begin, or be changed, from a date which is agreed between you and ReAssure. The amount of regular contributions can be changed at any time.

The amount you can pay, and the amount of any increase, must meet ReAssure's minimum requirements at the time the contributions start or are changed. You can find out the current minimums that apply by contacting ReAssure. The terms applying to any increase in regular contributions may be different from those applying to your original level of contributions. Please read section 9 for more information.

Regular contributions will be payable at the frequency agreed between you and ReAssure, ending with the last payment falling due before your **selected retirement date**. Regular contributions can continue after your selected retirement date, but you'll need to tell us you want to carry on paying, otherwise we'll stop collections. Similarly, single contributions and transfer payments can still be made as long as you have not taken your pension benefits.

Yearly contributions will be paid each year on the anniversary of their commencement. Increases in yearly contributions may only be made from such an anniversary. Any contributions paid at any other time will be treated as single contributions.

2.3. Stopping regular contributions

You can stop paying regular contributions at any time. If you do stop you may restart paying regular contributions at any time you agree with ReAssure, up until your 75th birthday. All regular contributions must stop by your 75th birthday.

The terms applying to future payments made to your **arrangement** may be different from the terms that originally applied. Please read section 9 for more information.

Charges will continue to be deducted in respect of **insured fund(s)** in accordance with 7.4, even though you may have stopped paying contributions. Where self-invested assets are held, self-invested charges will continue to be deducted in accordance with the provisions of your **Terms Sheet**.

2.4. Single contributions

You may arrange for payment of a single contribution at any date agreed between you and ReAssure, up until your 75th birthday. Any single contribution must be at least equal to the minimum acceptable to ReAssure at that time. You can find out the current minimums and terms that apply by contacting ReAssure. The terms applying to future payments made to your **arrangement** may be different from the terms that originally applied. Please read section 9 for more information.

A single contribution may be made by you and/or your employer or another person on your behalf.

2.5. Transfers in

Transfer payments may be made in accordance with the **scheme rules** from another **Registered Pension Scheme** or from a **Qualifying Recognised Overseas Pension Scheme**. They will be treated as a single payment paid to the scheme on the date on which they are received by the **Trustees**.

Any transfer payments must be at least equal to the minimum acceptable to ReAssure at the time. You can find out the current minimums that apply by contacting ReAssure.

The terms applying to future payments made to your **arrangement** may be different from the terms that originally applied. Please read section 9 for more information.

2. Payments into the scheme (cont.)

2.6. Tax relief on contributions

You pay your contributions to us net of tax relief at your basic rate, subject to HMRC limits. We will claim tax relief from HMRC on your behalf and add it to your net contribution. If you're subject to income tax at anything other than the basic rate, then you may be able to claim back further tax from HMRC, or may alternatively need to pay additional amounts.

You are not entitled to claim tax relief from employer contributions. If your employer pays contributions into your plan, they will claim their own tax relief as a business expense, up to the level they are entitled to.

Third party contributions are treated the same as member contributions for tax relief purposes. Tax relief is given based on the policyholder's tax status not the payer's.

How much tax relief you receive may depend on which country you live in within the UK. HMRC will tell us which rate to apply. You can find out more about what this means for you at www.gov.uk/income-tax-rates.



You are only entitled to claim tax relief in respect of a tax year in which you are a relevant UK individual.

This means:

- you must have **relevant UK earnings** chargeable to income tax, or
- you must be resident in the UK for at least part of the tax year, or
- you must have been resident in the UK in one of the preceding five tax years and when you joined the scheme, or
- you or your spouse or registered civil partner must have in the tax year general earnings from overseas Crown employment subject to UK tax.

We do not accept contributions once you reach age 75, as you can no longer benefit from tax relief.

If you are not sure whether you are eligible for tax relief, we recommend you seek advice from a tax adviser or financial adviser.

2.7. Limits on tax relief and tax charges on contributions

Up to age 75, you are entitled to tax relief on your own gross contributions and any paid by a **third party** on your behalf, up to 100% of your **relevant UK earnings** in each tax year. Employer contributions are not third party contributions for tax relief purposes.

If your **relevant UK earnings** are less than £3,600, or you have no earnings, you can still pay up to £3,600 gross each tax year and receive tax relief.

If the total of all contributions paid into all **Registered Pension Schemes** by or for you is more than the **Annual Allowance** plus any unused **Annual Allowance** carried forward from the previous three tax years, you will be subject to a tax charge on the excess. The amount of the charge will be dependent on your personal circumstances.

Refunding contributions in accordance with **2.8** below will not stop the tax charge being applied.

If you have benefits under a defined benefit scheme, it is the increase in value of your benefits over the scheme year that counts towards the **Annual Allowance** and not the actual contributions to that scheme.

Any transfer payments from another **Registered Pension Scheme** do not count as contributions for the purposes of the **Annual Allowance**.

If you access any money purchase pensions savings using **pension flexibility**, the total contributions you can make over a tax year will be subject to a lower limit. This limit is the **money purchase annual allowance**. It applies to all the money purchase pension savings you have and will apply from the time that you first access any of them using **pension flexibility**.

If you have an annual income that exceeds the government's 'threshold income' or 'adjusted income' limits, the total contributions you can make over a tax year will be subject to a lower limit. This limit is called the **tapered annual allowance** and it applies to all pension savings. The **tapered annual allowance** varies and depends on how much your income exceeds the government limits.

This section is only intended to summarise the operation of pensions tax legislation. The rules relating to the Annual Allowance, and in particular, the operation of the Annual Allowance carry forward facility are complex. ReAssure recommends that you seek specialist advice if you think you may be affected by the Annual Allowance, the Money Purchase Annual Allowance or the tapered annual allowance.

2.8. Refund of contributions

Once a contribution has been paid to the scheme, and the 30 day cancellation period has ended, it will not be refunded if you were entitled to receive tax relief on it. If you were not entitled to receive tax relief, ReAssure may arrange the refund of your contribution.

The amount refunded to you may reflect any change in investment value between the time it was invested and the time we make the refund. Before any refund is made, you will be required to provide proof, satisfactory to ReAssure, that the contribution did not qualify for tax relief. Please contact ReAssure to find out what proof is required.

Any refund must be made within the six tax years following the tax year in which the contribution was made.

3. Investment of payments into the scheme

3.1. Requirements

Unless ReAssure agrees that you need not do so, at least some of the payments to your **arrangement(s)** will be invested in insured funds and/or in collective investments available from the provider of our choice, in accordance with ReAssure's minimum requirements, which can be found in the **Terms Sheet**.

Subject to you investing the minimum amount required by ReAssure from time to time and as described in your **Terms Sheet**, you may choose to invest in other investments as agreed by ReAssure. It is not possible to pay regular contributions directly into self-invested assets. Cheques representing contributions for self-investment will be deposited in the **member's SIPP bank account** pending self-investment instruction.

3.2. Insured funds

In an insured **arrangement**, investments are held in insured funds. Payments to an insured **arrangement** invested in the **scheme policy**, are applied on the basis set out in section 7. The way payments are invested will depend on whether they are regular contributions, single contributions or transfer payments.

3.3. Self-invested assets

Payments made into self-invested **arrangements** will be used to buy investments which have been selected by you or by a discretionary fund manager chosen by you. Any investments in self-invested assets will only be made if there are sufficient cleared funds in the **member's SIPP bank account** held for you under the scheme.

If you do not comply with the minimum requirements described in the **Terms Sheet**, ReAssure has the right to sell investments and invest the proceeds to make up the shortfall in the minimum required investment. Charges may apply as detailed in the **Terms Sheet**.

Details of the investments allowed can be found in 8.2.



4. Taking your benefits

4.1. When you can take your benefits

If you haven't previously accessed your benefits, we will, within a reasonable time period and at least four months before your **selected retirement date**, provide you with information about the available options. If you want to take your benefits before or after your **selected retirement date** and you have reached the minimum pension age of 55, please contact ReAssure and we will send you information about your options.

You do not have to take all your benefits at the same time or on the same basis. The options available will depend upon what ReAssure is making available at the time you want to take your benefits and any benefit minimums ReAssure have in place at that time.

If you are in ill health, you may be able to take your benefits before the minimum pension age of 55. You will need to provide us with satisfactory medical evidence, from a registered medical practitioner, that you have stopped work because you are (and will continue to be) incapable of carrying on your occupation because of physical or mental impairment.

If you are in serious ill health, and have a life expectancy of less than one year, you may be able to take the value of your **pension fund** as a single lump sum payment. This is known as a 'serious ill health lump sum' and is explained in more detail in section **4.3.6**.

Depending on how you choose to invest your pension arrangements there may be unavoidable delays in selling assets, which could delay us making payments to you. If we think this may occur we will let you know as soon as is practical after we have received your instruction – read details about this in section **7.2**.

At age 99 you must, unless ReAssure notifies you otherwise in writing, use any remaining pension fund to take one of the benefit options described in this section, or transfer your pension as described in 5.1.

If you wish to exercise any of the options described in this section, you must tell ReAssure in writing at least one month before the date when you want to take your benefits. However, you should bear in mind that some assets (for example commercial property) are not always readily saleable, so you should take this into account when exercising any options.

4.2. Pension fund

The way your pension fund is calculated depends on whether you hold insured funds or self-invested assets. In the case of insured funds, it is calculated as described in **7.2**. In the case of self-invested assets, it is calculated as described in **8.7**.

4.3. Benefit options

You can take your benefits in a number of ways:

- (i) as a tax-free lump sum and an **annuity**;
- (ii) as an **annuity** only;
- (iii) as a tax-free lump sum and a designation of funds into income drawdown;
- (iv) as a designation of funds into income drawdown only;
- (v) as an **uncrystallised funds pension lump sum (UFPLS)**;
- (vi) as a 'small pot'; or
- (vii) as a 'serious ill health lump sum'.

You can combine options to best meet your needs. The current options available under this plan are as follows.

4.3.1. Tax-free lump sum – (pension commencement lump sum)

This is a tax-free lump sum paid from an **arrangement** that has been selected (designated) to provide benefits for you. If you do not take the tax-free lump sum at the time you designate the relevant part of an **arrangement** you will not be able to take it later on.

Normally the maximum amount which you may take without incurring a tax charge is one quarter (25%) of that part of an arrangement which is being used at that time to provide benefits for you. You will need to choose one of the options described in **4.3.2** or **4.3.3** to take your tax-free lump sum. A higher amount may be available to you if you had transitional rights in respect of benefits earned before April 2006. This is sometimes called 'protected tax-free cash'. If you think this may apply to you, please contact us.

4.3.2. Annuity

You can choose to use all or part of an **arrangement** to buy an **annuity** that will provide you with a guaranteed income for life or for a fixed term. You can buy the **annuity** using one of the options offered through ReAssure or you can buy an annuity from another insurance company of your choice. There are a number of things you need to consider before you buy an **annuity**. We recommend you discuss all of the options available to you with your financial adviser.

If you choose to buy an annuity, you can normally choose to take up to one quarter (25%) of the amount available to buy an annuity as a tax-free lump sum, with the balance (75%) being used to buy the annuity. You can also use any funds you have previously designated for income drawdown to buy an annuity, but no tax-free lump sum will be available.

All annuity payments are taxed as earned income, and any tax due will be deducted by your annuity provider at the appropriate PAYE rate set by HMRC.

4. Taking your benefits (cont.)

4.3.3. Income Drawdown

If you choose to withdraw income directly from your **pension fund** then:

You must designate how much of your **pension fund** is to be set aside for this purpose.

At the time you designate for income drawdown, you also have the option to take a tax-free lump sum. You can normally choose to take up to one quarter (25%) of the designated pension fund as a tax-free lump sum.

If you do not take a tax-free lump sum when designating your income drawdown fund, you will not be able to take it in the future or if you subsequently use the **pension fund** to buy an **annuity**.

When you designate part or all of your pension money for income drawdown, you do not have to draw an income straight away. You can choose to just take a tax-free lump sum and leave your drawdown pension fund invested to provide an income at a later date.

All drawdown payments are taxed as earned income, and any tax due will be deducted by ReAssure at the appropriate PAYE rate set by HMRC.

There are two types of income drawdown:

- **Flexi-access drawdown** – this drawdown type is available to all customers.
- **Capped drawdown** – this drawdown type is only available to customers who already had designated money in their SIPP under the capped drawdown rules before 6 April 2015. These customers can choose to designate more funds into capped drawdown.

If you take **capped drawdown**, there are no minimum withdrawal limits but you cannot take more than the maximum allowed in any income year (as defined by the Government Actuary's Department limits). The income year runs for a period of 12 months starting from the date you first take income drawdown, or a tax-free lump sum (if you take this without starting income drawdown).

If you take **flexi-access drawdown**, the first drawdown payment will result in your **annual allowance** for future pension saving into money purchase pensions being reduced to the **money purchase annual allowance** level. Income payments under the capped drawdown rules will not trigger the **money purchase annual allowance**.

4.3.4. Uncrystallised Funds Pension Lump Sum (UFPLS)

You can choose to take lump sums directly from your uncrystallised **arrangement(s)**. This is the part of your pension pot that you have not yet selected (designated) to provide any other benefits. We will provide you with written details of the minimums and charges that apply at the time you select this option and you should read those together with this booklet.

You can take either a full **UFPLS**, which means you take your entire uncrystallised pension pot as an **UFPLS**, or a partial **UFPLS**, which only uses part of your uncrystallised pension pot. You can take a maximum of four partial UFPLS payments in each 12 month period starting from your birthday. Each withdrawal must be for at least £1,000 and you must leave at least £500 in your pension pot when you take an **UFPLS**.

If you take an **UFPLS**, your **annual allowance** for future money purchase pension saving will be reduced to the **money purchase annual allowance**.

UFPLS cannot be paid from any part of your pension fund that represents a disqualifying pension credit from a pension sharing order on divorce. **UFPLS** is also not allowed if you have valid **lifetime allowance** protection under the enhanced or primary protection rules and this protection includes a protected lump sum of more than £375,000.

Before age 75:

- To be eligible you must have **available lifetime** allowance (see section 6.2) at least equal to the amount of UFPLS you want to take.
- 25% of each lump sum is tax-free and 75% is taxed as earned income.
- Any amount paid above your **lifetime allowance** is not an **UFPLS** payment and will be taxed in accordance with **HMRC** requirements.

From age 75:

- You must have had some unused lifetime allowance on your 75th birthday.
- If the amount of the lump sum is within your unused lifetime allowance at age 75, 25% is tax-free and the remainder is taxed as earned income.
- If the lump sum is more than your unused lifetime allowance at age 75, the part of the **UFPLS** that is equal to 25% of your unused **lifetime allowance** at the time we make the payment is tax free, and the remainder is taxed as earned income.



4. Taking your benefits (cont.)

4.3.5. Small pension pots

If your **pension fund** is £10,000 or less, this is called a 'small pension pot'. You can take up to three small pension pots in your lifetime from personal pensions. Taking a small pension pot will not affect your **annual allowance**.

If your pension fund is uncrystallised, 25% of the small pension pot is tax-free with the remainder taxed as earned income. If your pension fund is designated for income drawdown, the whole pot is taxed as earned income.

4.3.6. Serious ill health lump sum

Provided we receive satisfactory medical evidence from a registered medical practitioner, in the case of serious ill health where there is a life expectancy of less than one year, you may be able to take the value of your uncrystallised **pension fund** as a single lump sum payment (known as a 'serious ill health lump sum').

If you are under 75, the whole lump sum is tax-free as long as it's within your available **lifetime allowance**. Any portion over your **lifetime allowance** limit is subject to the lifetime allowance charge.

If you are over 75, the whole lump sum will be taxed as earned income. You must still have some available lifetime allowance.

It is not possible to take a serious ill-health lump sum from any part of your pension fund that you have designated for income drawdown.

4.4. Other things to consider

You can transfer your whole **pension fund** to another suitable pension product. We'll write to you as your **selected retirement date** approaches with details of the choices you have.

If you want to access your **pension fund** before your **selected retirement date**, you will need to contact us.

The way your **pension fund** is calculated depends on whether you hold insured funds or self-invested assets. In the case of insured funds, it is calculated as described in 7.2. In the case of self-invested assets, it is calculated as described in 8.7.

From your 99th birthday you must, unless ReAssure notifies you otherwise in writing, use any remaining **pension fund** to take one of the benefit options described in this section, or transfer your pension as described in 5.1.

5. Benefits on transfer or death

5.1. Transfer out

You may choose, at any time before benefits are first paid from your **pension fund**, to have a transfer payment paid from the scheme to another **Registered Pension Scheme** or to a **Qualifying Recognised Overseas Pension Scheme**.

You may also choose to have a transfer payment made to another **Registered Pension Scheme** or **Qualifying Recognised Overseas Pension Scheme** at any time while you are taking income drawdown as described in **4.3.3**, but if you do this you must continue to take income drawdown under the other scheme.

The amount payable as a transfer payment will be the available **pension fund** at that date calculated as described in **7.2** for insured funds, and in **8.7** for self-invested assets. In certain circumstances a transfer may need to be delayed. The reason for this is explained in **7.2** and **8.7**.

No further benefit will be payable under the scheme in respect of any part of the **pension fund** which has been transferred as described above. Once such a payment has been made, no further contributions may be paid by or in respect of you to the scheme unless ReAssure agrees otherwise.

5.2. Death before payment of a pension

If you die before payment of your pension has commenced, or before benefits are first paid from your **pension fund**, the **pension fund** will be applied to provide the benefit or benefits described in section **5.3** and/or **5.4**. If you are invested in self-invested assets any payment will be dependent upon those assets being realised.

5.3. Pension for a surviving spouse / registered civil partner or dependant

You can choose to provide a pension for your surviving spouse/registered civil partner or for a **dependant** named by you by giving ReAssure written instructions to that effect before your death. ReAssure is not bound by your request and may decide to apply some or all of the **pension fund** as described in **5.4**. Where you have not instructed ReAssure to pay such a pension, your **pension fund** will be paid as described in **5.4**.

Your surviving spouse/registered civil partner or other **dependant** (as applicable) will be able to purchase the permitted **annuity** using one of the options offered through ReAssure or from another insurance company of their choice.

If a pension becomes payable in accordance with this section, it may be possible for your surviving spouse/registered civil partner or **dependant** to take it in the form of income drawdown.

Full details of the options available will be explained to your surviving spouse/registered civil partner or **dependant** at the time a claim is made.

If you die before age 75, any **annuity** or income drawdown payable will usually be free of tax provided the **annuity** starts or designation for drawdown is made within two years from the day we first knew, or could reasonably have been expected to know, of your death. If **annuity** or income drawdown benefits for a beneficiary are provided from remaining uncrystallised funds, the fund value used is tested against your remaining **lifetime allowance** by your legal personal representatives.

If you die aged 75 or older, any **annuity** or income drawdown payable is taxed as the earned income of the person receiving the annuity or drawdown payments.



5. Benefits on transfer or death (cont.)

5.4. Payment of lump sum death benefit

Any part of the retirement fund which is not applied to provide a pension under the previous section will be paid as a lump sum in such proportions and to such recipient(s) as ReAssure decides. The class of potential recipients comprises, broadly:

- (i) any trust which you have made available for inclusion within the class of potential recipients. You may wish to set up a trust for this purpose, in which case ReAssure recommends that before doing so you seek appropriate advice in order to manage any other issues that might arise;
- (ii) any person(s), charity, association or other body you have nominated for inclusion in the class of potential recipients;
- (iii) your widow(er) or surviving registered civil partner;
- (iv) your **dependants**;
- (v) your ancestors (for example, parents and grandparents) and descendants (for example, children and grandchildren);
- (vi) your legal personal representative or any person or body entitled under your will to any interest in your estate;
- (vii) any person who, or body which, ReAssure believes you would have wished to benefit.

Notes:

- ReAssure is not bound to distribute any lump sum death benefit payable under this section in accordance with any nomination you make. You may establish a trust or make a nomination at any time before your death.
- If you establish a trust, you must tell ReAssure about it in writing before your death, including confirmation of who the trustees are.
- Any nomination must be made in writing and received by ReAssure before your death. If any person you have nominated is under age 18 at the date of your death, ReAssure may make payment to that person's parent or guardian, or to any other person it decides, for the benefit of that person. Any nomination you make before you take your benefits will no longer apply to any part of your **pension fund** that you later use for income drawdown.
- You do not have to make a nomination, but once you do, you cannot remove it, although you can replace the nominated person with someone else by making a new nomination.
- If a trust is declared it will override any nomination, and we will always make payment to the trustees for them to distribute in accordance with the trust provisions rather than making our own decision about who should be the recipient.
- If you die before age 75, any lump sum payment is usually free of tax provided the payment is made within two years from the day we first knew, or could reasonably have been expected to know, of your death. When paid from your uncrystallised pension fund, any death benefit is tested against your remaining **lifetime allowance** by your legal personal representatives.
- If you die aged 75 or older, any lump sum death benefit paid to your beneficiaries will be subject to a tax charge at the appropriate rate based on the PAYE code of the person receiving the payment. If you die leaving no surviving dependants and we pay a lump sum benefit to a charity nominated by you, the lump sum benefit won't generally be subject to tax.
- Any lump sum death benefit described in this section is not normally liable to Inheritance Tax under present legislation.



6. Other tax charges

This section is only intended to summarise the operation of pensions tax legislation which can be complex and is subject to change from time to time. If different, tax law overrides anything set out in the booklet. If you have any questions about your personal tax position, we recommend that you speak to a tax adviser.

6.1. Annual allowance charge

As explained in section 2.7:

- If contributions paid in any tax year are more than your **Annual Allowance**, a tax charge known as the Annual Allowance Charge may apply depending on your circumstances.
- Once you have accessed your benefits under the **pension flexibility rules**, the Annual Allowance Charge will apply to any money purchase contributions that are over the **money purchase annual allowance**.
- If you have an annual income that exceeds the government's 'threshold income' or 'adjusted income' limits, the Annual Allowance Charge will apply to any pension contributions or defined benefits pension savings that are over your **tapered annual allowance**.

We recommend you speak to a tax adviser if you think this might apply to you.

6.2. Lifetime allowance charge

Before age 75, any pension benefits taken that exceed the **lifetime allowance** limit will be liable to a tax charge, known as the lifetime allowance charge. This can be up to 55% of the value of the benefits taken. A lifetime allowance charge may also apply at age 75 if the value of any benefits you have not taken by this time exceed the **lifetime allowance**.

In response to changing **lifetime allowance** limits, the Government offered various ways in which pension customers were able to 'protect' their pensions savings from the lifetime allowance charge. If you have one of the protections, this will give you a higher personal allowance which will be used instead of the **lifetime allowance**.

6.3. Unauthorised payments and other tax charges

Neither ReAssure nor the **Trustees** will bear any liability in respect of any tax charge or unauthorised payment (as defined in the **Finance Act**) made by or in respect of the scheme. If any such charge is incurred in respect of your **pension fund**, ReAssure shall be entitled to take steps to recover any fees or tax charges in respect of such liability from your **pension fund**.



7. Insured funds

These are funds which are maintained by ReAssure and are available for investment via the **scheme policy**. Within this part of the booklet the use of the words 'fund', 'funds' and/or '**insured fund(s)**' is a reference to **insured fund(s)**.

You can choose a maximum of 100 insured funds and each **payment type** can be invested in a maximum of 20 funds.

7.1. Application of payments

7.1.1. Buying units

Each payment into the scheme for pension benefit will be used to buy **units** in one or more of the funds described in 7.3. The number of **units** to be allocated will be calculated by applying a percentage of each payment at the unit price (as described in 7.3) of the relevant fund. The percentage applied will be that notified to you in the **Key Features document**, unless ReAssure changes the percentage in accordance with section 9.1. ReAssure will notify you in writing of any future changes before any affected payments are made.

For contributions the unit price is calculated on the day when a contribution is received by the trustee. If a contribution is received on a weekend or public holiday, the unit price is calculated on the next working day. Where a Direct Debit payment is not cleared through the bank account of the person from whom it is made, any **units** credited in respect of that payment will be cancelled. Crediting **units** operates only as a means of linking your **arrangement** to the funds for the purpose of calculating the value of your **pension fund**. The legal and beneficial interest in the **units** and the underlying assets of the fund do not belong to you.

7.1.2. Selection of funds

The fund or funds in which **units** are to be credited to your **arrangement** will be those which you have agreed with ReAssure. If you have selected more than one fund, your contributions will be applied towards **units** in each fund in the proportions which you have specified. You may at any time instruct ReAssure in writing (or by any other means which has been notified to you by ReAssure as being acceptable) that the allocation of contributions between funds is to be changed for future contributions.

7.1.3. Switches between funds

You may instruct ReAssure in writing (or by any other means which has been notified to you by ReAssure as being acceptable) at any time to exchange **units** already credited to your **arrangement** for **units** of equal value in a different fund or funds specified by you. This option, which is often called 'switching', is subject to the conditions described below:

The value of the units in the funds to be switched will be calculated as described in 7.3.

ReAssure may restrict or refuse any switch between funds if the value of the **units** subject to the switch is less than £100 or such other amount as ReAssure may notify you in writing from time to time, or if the switch would result in you investing in more than the maximum number of funds allowed.

If you switch funds, future contributions will continue to be allocated to the fund or funds which you last specified, unless you tell ReAssure that this is also to change.

7. Insured funds (cont.)

7.2. Calculation of the value of insured funds

7.2.1. Possible delays

In order to protect all investors, there are some circumstances where ReAssure may need to delay calculating transfer values, switch values or benefit payments. This could delay ReAssure dealing with your request if the transfer, switch or benefit payment (as applicable) is to be made at any date:

- before your **selected retirement date**, or
- after your **selected retirement date**,
- for any reason other than death.

Set out below are some of the reasons why ReAssure may need to delay:

- **Exceptional market conditions.**
This includes:
 - Situations where it becomes impossible to buy or sell assets, such as action by an overseas government that freezes assets invested in that country.
 - Situations where it is not possible to ensure fairness to all investors in the fund, for example if by calculating a unit price it means paying too much to those leaving the fund at the expense of those remaining.
 - Any events listed in **9.2**.
- **Failure of another company ReAssure may rely upon.**
This includes:
 - The failure of an **external fund manager** to do something that would normally be expected of them in running their business.
 - The failure of a stock exchange (such as the London Stock Exchange).
 - Major power failures or the failure of essential IT or communications systems.
- **Funds with assets that cannot be sold immediately.**
 - If a large number of people want to sell their **units** at the same time it may be necessary to sell particular types of assets.
 - For example, the process of selling commercial property (such as office blocks, shopping centres, industrial warehouses) can take a long time. For an internal fund ReAssure may need to delay calculating the cash-in or switch value for up to six months. For an external fund there could also be a similar delay. See **7.3** for an explanation of internal and external funds.

This allows the fund manager time to obtain an appropriate price for the assets that may need to be sold. If a quick sale was forced through, the fund manager may get an artificially reduced value, which could impact both those leaving the fund and those remaining in it.

If any of these situations occur, it may not be possible to tell you about it before it happens. But where it is possible, we'll do everything we can to give you earliest possible notice of the situation.

7.2.2. Value of insured fund(s) at selected retirement date

The amount available to provide benefits at your **selected retirement date** will be the value at that date of the **units** credited to your **arrangement**, after any outstanding management charges have been deducted in accordance with **7.4**. The value of the **units** will be calculated as described in **7.2.6**.

7.2.3. Value of insured fund(s) after selected retirement date

If payment of your benefits or any part of them does not start until after your **selected retirement date** your **arrangement** will remain credited with the **units** in the funds (which are described in **7.3**) in which they are invested at that date. You may pay regular or additional single contributions at any time up to age 75 on terms to be specified by ReAssure at that time. At any subsequent date on which benefits become payable, the amount available to provide those benefits will be calculated as described in **7.2.2**.

7.2.4. Value of insured fund(s) before selected retirement date

If any benefit becomes payable at any date before your **selected retirement date**, the value of your **insured fund(s)** available at that date will be calculated as described in **7.2.2**.

7.2.5. Value of insured fund(s) where benefits are taken at different dates

If your benefits become payable at more than one date, then the amount available to provide benefits at each date will be calculated separately.



7. Insured funds (cont.)

7.2.6. Current unit price

For the purposes of calculating the value of **insured fund(s)** in the above circumstances, the current price of **units** must be established. Normally, the unit price will be calculated on the day ReAssure receives a request to take a particular benefit. If a request is received on a weekend or public holiday, the unit price is calculated on the next working day. In certain circumstances, the unit price used will be that calculated for a different day, as described below:

- (i) If benefits become payable after your death while units are still credited to your arrangement (unless (iv) below applies), ReAssure will use the unit price calculated on the day it is first told about the death.
- (ii) Where benefits are to be paid from a specified date and the **receipt date** of all the necessary information and/or evidence required by ReAssure is more than two **working days** before that specified date, ReAssure will use the unit price calculated for that specified date, and
- (iii) Where the payment of benefits is delayed as described in **7.2.1**, ReAssure will use the unit price calculated for the **working day** those **units** are encashed.
- (iv) If the value of your pension is being calculated on or after your 85th birthday, ReAssure will use the unit price calculated for the **working day** immediately preceding your 85th birthday.

7.3. Insured funds and their operation

7.3.1. Insured funds and units

Each insured **arrangement** with ReAssure under the scheme is linked via the **scheme policy** to investment linked funds. Each fund is divided into **units**. The assets underlying them may be managed by the **insurer** and/or its associated companies, or by an **external fund manager**.

ReAssure is not responsible for the choices and actions taken by you, your employer, or any financial adviser appointed by you in selecting funds or monitoring your individual fund choices.

7.3.2. Funds available

Your insured **arrangement** may be linked to any one or a combination of fund types available at the date your contribution is received by the **insurer**. The fund types currently available are as follows:

- **Internal funds**
Funds managed by ReAssure.
- **External funds**
Funds which are maintained by the **insurer** which invest in a fund managed by an **external fund manager**.

Details of all the funds available for investment can be found at **www.reassure.co.uk/fund-centre**. ReAssure may make new funds available from time to time. You can choose a maximum of 100 funds. Each payment type can be invested in a maximum of 20 funds. ReAssure may change this from time to time.

7.3.3. Investing in an external fund

When you invest in an external fund, ReAssure buys you **units** in a ReAssure fund that invests in the corresponding **authorised fund**. You do not hold **units** directly in the **authorised fund**.

ReAssure does not have any direct influence over how **external fund managers** manage their funds. ReAssure also have no control over the method of calculation they use to value their fund.

ReAssure's valuation of an external fund depends on the **external fund manager** meeting their contractual obligations to provide ReAssure with information, including the valuation of their fund. If ReAssure values an external fund and then finds out later that it was given incorrect information, it may increase or reduce the number of **units** you hold or pay compensation.

External fund managers sometimes adjust the valuation of their fund to cover exceptional costs that may arise when people buy or sell **units** in their **authorised fund**. ReAssure cannot predict when an external fund manager will make such a charge. If and when it happens, ReAssure will make a deduction when calculating the unit price.

You do not have the same rights as you would if you invested directly into the **authorised fund**. An **external fund manager** may fail to meet its obligations under its contract with ReAssure. Also, an **external fund manager** may make fundamental changes to an external fund, such as changing its aim, the assets it invests in or the countries where it's invested. If there are any significant changes to funds that affect you, ReAssure will let you know. If you need to take some action, ReAssure will give you some options and explain what we plan to do if we don't hear back from you within a specified period.

7. Insured funds (cont.)

7.3.4. Fundamental change to an external fund

If ReAssure becomes aware of a change occurring to any external fund in which the **scheme policy** is invested and which it considers to be a fundamental change, you will be notified if you are affected. A fundamental change will include changes such as:

- A significant change to the fund aim;
- A significant change to the risk profile of the fund;
- A significant change of the asset types held by and/ or the method of managing the assets of the fund;
- A significant change of the countries in which the fund invests;
- Failure of the **external fund manager** to meet its obligations.

If you need to take some action, ReAssure will tell you what options are available to you and explain what will happen if you don't reply within a specified period.

7.3.5. Closure of funds

ReAssure may decide that a fund will cease to be available under the **scheme policy**:

- In the case of an internal fund if it becomes impractical to maintain a particular fund, such as if there are very few people invested in it.
- In the case of an external fund:
 - if an **external fund manager** ceases to trade, or
 - if an **external fund manager** closes their **authorised fund** or merges it with another of their funds, or
 - if ReAssure decides to sever its relationship with the **external fund manager**, or
 - if ReAssure has concerns about how the fund is being managed, or
 - if it becomes impractical or inappropriate to maintain a particular fund.

If this happens, ReAssure will, where practical, give you at least 30 days' notice in writing, except where it is impractical for ReAssure to provide such notice. In this case, ReAssure will provide as much notice as is practical. You will also be given the opportunity to switch any investment you have in an affected fund into another fund, or funds, as described in 7.1. If you do not specify into which other fund, or funds, you want **units** to be switched, they will be switched into the fund, or funds, specified by ReAssure in the notice.



7. Insured funds (cont.)

7.3.6. Valuation of funds

Each fund will normally be valued on each **working day**. ReAssure will specify the basis of calculation of the maximum and minimum unit prices applicable to that fund for the purposes of the **scheme policy** according to the following rules:

- (i) The unit price for internal funds will normally be calculated based upon the value of the assets held in that fund at **close of business** on the previous **working day**. A different day may be used if it is not possible to value the assets held in a fund owing to exceptional market circumstances (see **7.2.1**).
- (ii) The unit price for external funds will normally be valued based upon the latest available price of the fund in which they invest as at **close of business** on the previous **working day**.
- (iii) The unit price will be no more than the maximum unit price (as in (iv) below) and no less than the minimum unit price (as in (v) below). The basis for determining the unit price will be set so as to enable fairness between those who enter the fund, those who remain in the fund and those who withdraw from it.
- (iv) In calculating the maximum unit price, the value of a fund will be determined by the prices at which the assets held in that fund might be bought. The maximum unit price will be this value divided by the number of **units** in the fund, rounded up by not more than 0.1p.
- (v) In calculating the minimum unit price, the value of a fund will be determined by the prices at which the assets held in that fund might be sold. The minimum unit price will be this value divided by the number of **units** in the fund, rounded down by not more than 0.1p.

In specifying the calculation basis for determining the value of a fund for the purpose of the **scheme policy**, due allowance is made for:

- income received or accrued,
- cash as yet uninvested,
- any actual, prospective or other liability for taxation or any other levy
- expenses, taxes, duties and other charges incurred in acquiring, managing, maintaining, valuing and disposing of assets,
- any reasonable adjustment considered necessary to preserve fairness between **arrangements** and policies which may be linked to the fund, and the fund charges described below.

External funds are valued based upon certain information provided by the **external fund managers** (under the terms of the contracts between them and the **insurer**). The unit prices used, for external funds, to calculate any benefits payable under the **scheme policy** will be based upon the information provided by the **external fund managers**. The valuation of each fund is dependent upon the **external fund managers** meeting their obligations under these contracts. Where any benefits have been paid and ReAssure

subsequently discovers that the information did not accurately reflect the true value of the underlying assets on the day the benefits were calculated, no further benefits will be payable if the difference was under 0.5% of the fund price. If the difference was 0.5% or more of the fund price, compensation will be paid to you in line with any compensation received from the **external fund manager**.

- (i) Fund management charge

The annual percentage rate of the fund management charge applicable on the date you joined the scheme, for each fund you hold through the **scheme policy**, is as shown in the **Key Features document**.

The fund management charge may change from time to time. The most recently published annual percentage rate of the fund management charge for all funds in which the **scheme policy** is invested can be obtained from www.reassure.co.uk/fund-centre or on request from ReAssure.

The fund management charge charged by the **insurer** for external funds includes an allowance for what the **external fund manager** charges to cover their day to day costs of managing the fund. The fund management charge will be deducted from each fund on each **working day** when the unit price is calculated and will be 1/365th of the annual percentage rate of the fund management charge, based on the fund's unit value on the previous **working day**. When the **working day** is a Monday or follows a public holiday, the deduction made will be a multiple of 1/365ths to cover the current **working day** and the previous **non-working days** for which no deduction was made. An example for clarification: After a weekend, 3/365ths will be deducted on a Monday in respect of Saturday, Sunday and Monday.

External funds generally have additional fund expenses. The amount of these expenses may vary and cannot be accurately predicted in advance. The fund management charge for each external fund includes an allowance for these expenses as considered appropriate by the **insurer**. Where the amount of the additional expenses for any fund varies, there is likely to be a delay before a change to the published annual percentage rate of the fund management charge for that fund is available. At all times, the cost (if the additional expenses are higher than what is being allowed for in the fund management charge) or benefit (if the additional expenses are lower than what is being allowed for in the fund management charge) will accrue to the fund and therefore to the policies invested in the fund.

Where ReAssure believes that a fund is likely to bear such expenses, an appropriate allowance for them is made when calculating the assumed benefits shown in the **Key Features document**. At all times the most recently published rates are available on request and can be found at www.reassure.co.uk/fund-centre

7. Insured funds (cont.)

(ii) Dilution levy

This is a charge that may be applied by some **external fund managers**. If the fund is invested in an investment that is defined as an open ended investment company or a single price unit trust, the **external fund manager** may apply a charge in certain circumstances to cover the costs of buying into or selling out of assets. Such circumstances include where a large purchase or sale in the fund takes place that could affect the value of that fund over a long period of time. Any such charge made by an **external fund manager** is reflected in the unit price of the external fund to which the charge applies.

For more information about **insured fund(s)** and their operation see our **Guide to unit-linked funds** which is available at www.reassure.co.uk or on request.

7.4. Amount and deduction of annual management charges

7.4.1. Amount of annual management charges

There is an annual management charge which is taken daily by cashing in **units** within your **insured fund/s**. The rate(s) of annual management charge is dependent upon the total value of your **insured fund(s)**. It applies to all your **insured fund(s)** irrespective of your investment choice. There is also an additional annual management charge which may be payable. The rate(s) of annual management charge applicable to your **insured fund(s)** can be found at www.reassure.co.uk/fund-centre.

Subsequent contributions and transfer payments may be subject to a different rate(s) which will also be notified to you before such payments are made. The annual management charge (and any additional annual management charge – see below) is taken daily by cashing in **units** of your **insured fund(s)**.

All annual management charges are due and calculated each day based on the value of your **insured fund(s)** on that day and will be 1/365th of the appropriate rate of annual management charge. The annual rate(s) of charge which will apply on each day will depend on the value of your **insured fund(s)** on that day.

If the value of your units is less than £15,000, and has not previously reached £15,000, an additional AMC will apply. Read more about this in the Terms Sheet.

7.4.2. Conditions applying to the deductions from units

The number of **units** to be deducted will represent the sum of all of the daily annual management charges over a plan month calculated as in 7.4.1, on the basis of their price as described in 7.3. The deductions will normally be made by cashing in **units** daily. For this purpose, the price of **units** will be the latest available on the relevant date. However, where **units** in one fund are switched for **units** in another as described in 7.1, or benefits become payable in respect of you, the deduction will be made immediately before the switch or calculation of the value of your **insured fund(s)** as appropriate. In these cases the price of the **units** will be calculated for the **working day** specified in 7.1, or 7.2 as appropriate. If the day in which a deduction is due is not a **working day**, the deduction will be made on the next **working day**. If any month has no day corresponding with that on which your **arrangement** commenced, the deduction will be due on the last **working day** of that month.



8. Self invested assets

8.1. Administration

Self-invested assets are assets or investments that are chosen by you. They are not chosen by ReAssure. The administration of the self-invested assets in your SIPP, which include **collective investments available from Aegon**, will (until you are notified otherwise) be carried out by ReAssure. Any investments will only be made if there are sufficient funds in your **member's SIPP bank account**. Your investment instructions must be in writing, or any other manner notified to you in writing by ReAssure. You will be given a SIPP membership number when you set up the self-invested **arrangement**.

8.2. Permitted investments

You can find a list of permitted self-investments in your Terms Sheet. If there is any potential investment you're not sure about, please call us to check.

You should make sure that you are aware of any risks associated with any self-invested asset that you choose to invest in. ReAssure is not authorised to give investment advice and is unable to comment on or make any recommendation as to the appropriateness or suitability of any particular investment(s), based on your individual circumstances. If you are in any doubt as to the appropriateness or suitability of any particular investment(s), we recommend that you seek advice from an FCA authorised and regulated financial adviser. You should also ensure that the self-invested asset is appropriate for your specific investment needs and objectives. For example, the asset may need to be sold easily and quickly if you are planning to take your benefits in the near future.

Neither ReAssure nor the **Trustees** will accept any responsibility for losses, damages, costs and/or legal fees that may be incurred as a result of buying a self-invested asset on your behalf unless **10.4 (ii)** applies.

ReAssure may add or remove investments from this list. Set out below are some of the reasons ReAssure may do this.

- To introduce new investments to the permitted investments list.
- When ReAssure is no longer able to support administration of certain types of investment.
- Where ReAssure reasonably considers that an investment represents an increased level of risk which could impact upon other members and/or the **Trustees** of the scheme.

If an investment involves a transaction with you or any person connected with you and the result of that transaction is not the same as it would have been had the transaction been an 'arm's length' transaction, it will give rise to a tax charge.

8.3. Voting rights

ReAssure may receive information from investment managers or fund providers notifying it of any corporate actions in respect of investments held in your self-invested **arrangement**.

ReAssure will take all reasonable endeavours to send these notices to you in a timely fashion. It will not be responsible for any loss or foregone profit resulting from you not receiving these notices in good time, unless such loss or foregone profit results from fraud, wilful misconduct, misconduct or breach of regulatory duty on the part of ReAssure or the fraud, wilful misconduct, misconduct or breach of regulatory duty of any of their employees or agents.

You can exercise voting rights (relating to investments held in your self-invested **arrangement**) free of charge, but if you vote more than 12 times in any calendar year, ReAssure may take a charge to cover its administration costs. When you reach the limit, ReAssure will let you know and give you details of how much it will charge you for exercising additional voting rights.

8.4. Buying and selling assets

- Subject to the restrictions on the investments allowed in your self-invested **arrangement** (as detailed in **8.2** and as may be amended from time to time) and subject to (ii) below, ReAssure will buy and sell assets in your self-invested **arrangement** in accordance with your instructions and in accordance with the **scheme rules**. When buying or selling assets ReAssure will try to get the best possible result for you.
- Investments held for your self-invested **arrangement** will be held by the **Trustees**, or on the **Trustees'** behalf by an investment manager, nominee or third-party custodian (being a party that holds investments on behalf of your self-invested **arrangement**). Your entitlement as a member of the scheme with a self-invested **arrangement** is to pension benefits calculated in accordance with the **scheme rules** and this booklet (as amended from time to time) based on the net value of the investments and other assets comprising your self-invested **arrangement** after deduction of charges and any liabilities.

8.5. Charges

The level of charges applied to your self-invested **arrangement** may depend on the type and value of the assets held. Details of the charges relating to your self-invested **arrangement** are shown in the **Terms Sheet**. The fees and charges may change (see **9.1**)

8. Self invested assets (cont.)

8.6. Investment managers

You may choose your own investments which will be arranged by ReAssure or, alternatively, appoint a discretionary fund manager to do so for you. You may choose more than one discretionary fund manager if you wish. Where you do choose a discretionary fund manager, ReAssure will enter into a terms of business agreement with them. The fees or charges of any appointed discretionary fund manager will be payable from your self-invested assets held in your **arrangement(s)** in line with their terms of business.

8.7. Calculation of the value of self invested assets

The amount available to provide benefits at any date will be the realised value of your self-invested assets after the deduction of any outstanding charges. There are some circumstances, except on death, where the calculation of the value of self-invested assets may be delayed. This could delay ReAssure dealing with your request of a transfer, switch or benefit payment. Some of the reasons for this are set out below.

- **Exceptional market conditions.**

These include:

- Situations where it becomes impossible to buy or sell assets, such as action by an overseas government that freezes assets invested in that country.
- Situations where it is not possible to ensure fairness to all investors, for example if by calculating a price it means paying too much to those leaving at the expense of those remaining.
- Any events listed in **9.2**.

- **Failure of another company ReAssure may rely upon.**

This includes:

- The failure of an investment manager to do something that would normally be expected of them in running their business.
- The failure of a stock exchange (such as the London Stock Exchange).
- Major power failures or the failure of essential IT or communications systems.

- **Assets that cannot be sold immediately.**

- If a large number of people want to sell their assets at the same time it may be necessary to sell particular types of assets.
- The process of selling commercial property (such as office blocks, shopping centres, industrial warehouses) can take a long time, therefore if a quick sale was forced through it could mean an artificially reduced value.

If any of these situations occur, it may not be possible to tell you about it before it happens. But where it is possible, we'll do everything we can to give you earliest possible notice of the situation.



9. Changing the terms of the plan

9.1. Reassure's right to make changes

ReAssure or the insurer (in the case of a scheme policy) may make fair and reasonable changes to the terms of your plan (or scheme policy) at any time by giving you at least 30 days' prior written notice. ReAssure or the insurer may only make changes in the following circumstances:

- (i) To make ReAssure's terms clearer or more favourable to you;
- (ii) To reflect legitimate increases or reductions in the cost of providing your plan, which include:
 - a. the costs associated with changes in staff, support services, technology or systems; and/or
 - b. the costs associated with investing in your selected funds or self-invested assets provided that any increase is reasonable in amount and reasonably incurred;
- (iii) To reflect any changes to the basis of taxation applicable to your plan or to ReAssure or to the Trustees in connection with your plan;
- (iv) To comply with applicable law, regulation, the judgment of any court, regulator or ombudsman or any regulatory guidance or codes;
- (v) To reflect a change in our corporate structure that doesn't have an unfavourable impact on your plan but which does require ReAssure to make certain changes to the terms of your plan and doesn't result in ReAssure closing your plan;
- (vi) To provide for the introduction of new or improved systems, methods of operation, services or facilities
- (vii) If charges are removed or varied in your favour, ReAssure may apply such a change without notifying you.

ReAssure may add or remove investments from the self-invested permitted investments list.

Some of the reasons ReAssure may do this are explained in **8.2**.

If you're unhappy with any change that ReAssure make to the terms of your plan then you can at any time transfer to another provider. ReAssure would, however, recommend that you speak to an FCA authorised financial adviser and/or your employer (if relevant) before making this decision.

9.2. Events beyond Reassure's reasonable control

There may be some circumstances that are beyond ReAssure's reasonable control. These include the following:

- (i) Strikes, lockouts or other industrial action;
- (ii) Civil commotion, riot, invasion, terrorist attack or threat of terrorist attack, war (whether declared or not) or threat or preparation for war;
- (iii) Fire, explosion, storm, flood, earthquake, subsidence, epidemic or other natural disaster;
- (iv) Restrictions imposed by legislation, regulation, or other governmental initiative that are not as a result of our misconduct;
- (v) Recession or significant economic collapse of a market, company or country that results in a large and sustained reduction in the value of assets; or
- (vi) Failure of transport networks or other external utilities (for example telecommunications networks, water or power) leading to an unavoidable disruption.
- (vii) The suspension or closure of a fund managed by a firm that is not ReAssure or the underlying exchange upon which the fund trades.
- (viii) The suspension, limitation or material disruption of trading on any of the underlying exchanges that the fund invests in; the underlying exchanges on which the underlying index is based failing to open for trading or closing early; the announcement that the publication of the underlying index is to cease; the underlying index is to be replaced by another index, or the level of the underlying index is not calculated or published.
- (ix) Any other event beyond the control of ReAssure, which ReAssure is unable to anticipate.

If such an event impacts our ability to perform our obligations under the scheme we will advise you as soon as we are reasonably able to let you know how we intend to deal with the situation. The speed of notification will depend on the severity of the event.

If an event described above occurs:

- (i) Neither ReAssure nor the **Trustees** will be liable or responsible for any resulting failure or delay in performing any of ReAssure's or the **Trustees'** obligations described in this booklet;
- (ii) Where it becomes necessary to delay performance of our obligations, ReAssure will use all reasonable efforts to bring things back to normal;
- (iii) If you're being disadvantaged, ReAssure will let you know as soon as possible.

9. Changing the terms of the plan (cont.)

If the event continues for a period in excess of 120 days, and ReAssure or the **Trustees** are unable to complete one or more material obligation described in this booklet:

- (i) ReAssure may make reasonable changes to these terms to overcome the problem, this may include closing the scheme;
- (ii) ReAssure will only make these changes for a good reason; and
- (iii) ReAssure will give you 30 days' prior notice of the required change, wherever possible.

9.3. Discontinuance or amendment of the scheme

ReAssure may amend the **scheme rules** or discontinue the scheme.

The reasons it may amend the scheme rules include the following:

- (i) Changes in legislation and/or taxation applying to the scheme and/or ReAssure and/or the **Trustees** operating any of the funds, or to their investments, or if any change or levy or restriction relating to any of the above is imposed or altered;
- (ii) Enhancement of the features within the scheme. If ReAssure amends the **scheme rules** and considers the changes to be material then ReAssure will tell you. If that amendment affects any of the terms or conditions applicable to your plan, a new version of this booklet will be made available.

The reasons that it may discontinue the scheme include the following:

- (i) Changes in legislation and/or taxation applying to the scheme and/or ReAssure and/or the **Trustees** operating any of the funds, or to their investments, or if any change or levy or restriction relating to any of the above is imposed or altered;
- (ii) Where it's no longer cost effective for ReAssure to run the scheme;
- (iii) If ReAssure makes an alternative pension scheme available of similar type and offering;
- (iv) If the registration of the scheme is removed by **HMRC**;
- (v) Any of the events listed in **9.2**.

If ReAssure discontinues the scheme this means that ReAssure will discontinue your **arrangements** under the scheme. If this happens you will be given at least four months prior written notice with the option of transferring your **pension fund** to any **Registered Pension Scheme** or **Qualifying Recognised Overseas Pension Scheme** of your choice. If you do not make a choice by the date specified in the notice, ReAssure will transfer your **pension fund** to a **Registered Pension Scheme** that ReAssure have chosen and confirmed in the notice. You will be notified at the time of the effect on you of any such discontinuance or amendment. Until such time as the value of your benefits are transferred out of the scheme, annual management charges will continue to be deducted as described in **7.4**. Where self-invested assets have been purchased, self investment charges will continue to be deducted in accordance with the provisions of the **Terms Sheet**.



10. About the scheme

10.1. Operation of the Scheme

The scheme was established by a declaration of trust and is operated in accordance with **scheme rules**. These rules include provisions, which are required in order for the scheme to be a **Registered Pension Scheme**.

ReAssure imposes certain conditions and restrictions on the operation of the scheme besides those contained in the **scheme rules**; these are set out in this booklet. If there is any conflict between this booklet and the **scheme rules**, the **scheme rules** prevail.

The investments and money in the scheme are held by the **Trustees** or on the **Trustees'** behalf by a nominee or custodian. Benefits under the scheme are payable by the **Trustees** on the instruction of ReAssure. Any benefits provided from insured funds are secured under the **scheme policy**. The **scheme policy** is covered by the Financial Services Compensation Scheme (FSCS). For self-invested assets, different compensation levels may apply and some self-invested assets may not be covered by the FSCS.

ReAssure can provide copies of the formal documents of the scheme on request. There may be a charge for this service.

ReAssure provides the **scheme policy** to the **Trustees**, and they make the **insured fund(s)** available through the **scheme policy**.

If insured funds are chosen, such benefits will all be held under the provisions of the **scheme policy**.

10.2. Scheme status

The scheme is a **Registered Pension Scheme** under Part 4 of the **Finance Act**. Statements in this booklet about tax treatment of contributions and benefits are dependent on the scheme continuing to be a **Registered Pension Scheme**. They also depend on there being no change in the law affecting the tax treatment resulting from such registration. The Pension Scheme Tax Reference number is 00605340RY.

10.3. Conditions applying to all arrangements

Payment of any benefit will be subject to:

- At the date of application for any benefit and at the date of any proposed increase in its amount, you provide such information which ReAssure may reasonably require; and
- the production of such evidence as ReAssure may reasonably require of the occurrence of the event giving rise to payment of the benefit, and of the identity of the person or persons to whom it is payable.

Where the calculation of any benefit or the cost of any benefit is dependent on the age of any person, payment of the benefit will be subject to the production of such evidence of that person's

date of birth as ReAssure may reasonably require. If the evidence shows that the date of birth is different from that previously stated, ReAssure will be entitled to adjust the amount of benefit payable to that which would have applied if the correct date of birth had been stated at the commencement of your **arrangement**.

Payment or continued payment of any pension under the scheme will be subject to the production of such evidence as ReAssure may from time to time require of the identity and survival of the person or persons in respect of whom the pension is payable.

10.4. General information

- If ReAssure decides to waive a term or condition of this booklet, this does not mean that it has made a permanent change to the terms or conditions. ReAssure can still apply the term or condition that it waived on a future or separate occasion.
- Subject to (iii) below, ReAssure and the **Trustees** accept responsibility for loss to you arising out of or in connection with the scheme solely to the extent that such loss is the direct result of ReAssure's or the **Trustees'** (as appropriate) fraud, negligence or wilful default or that of its directors, officers, employees, contractors or agents.
- Save for (ii) above, neither ReAssure nor the **Trustees** will be liable for any loss you may suffer in connection with the investments that are made via the scheme, including any loss which may be incurred as a result of a reduction in the value of those investments.
- Neither ReAssure nor the **Trustees** will be liable for any omissions or errors made as a result of any omissions from or errors in any data, information or evidence so provided by either you, your employer or your adviser.
- ReAssure and the **Trustees** give no warranty or undertaking as to the performance or profitability of the funds (or any part of them) or any investments held for your self-invested **arrangement**.
- ReAssure and the **Trustees** will comply with all applicable Data Protection legislation when dealing with your plan and ReAssure acts as a data controller in respect of the personal data relating to your plan. ReAssure agrees to use appropriate technical and organisational measures against unauthorised or unlawful access to destruction, processing or alteration, and against the accidental loss, corruption or destruction of any such personal data.
- The scheme and this agreement between you and ReAssure is governed by English law. You and ReAssure agree to irrevocably submit to the exclusive jurisdiction of the courts of England and Wales in relation to any dispute or claim arising out of or in connection with your membership of the scheme and/or this agreement.

10. About the scheme (cont.)

10.5. External bodies

Your attention is drawn to the existence and purpose of four central bodies dealing with occupational and personal pension schemes as described below.

Pension Tracing Service

Details of this scheme, including contact address for the **Trustees**, have been given to the Pension Tracing Service, which provides a tracing service for ex-members of schemes with pension entitlements, and members' **dependants**, who have lost touch with earlier employers. Enquiries should be addressed to:

Pension Tracing Service

The Pension Service 9
Mail Handling Site A
Wolverhampton
WV98 1LU
Telephone: 0800 731 0193
Website: gov.uk/find-pension-contact-details

The Pensions Advisory Service (TPAS)

TPAS is available to assist members and beneficiaries of the scheme with pension information and guidance. Its present address is:

The Pensions Advisory Service

11 Belgrave Road
London
SW1V 1RB
Telephone: 0800 011 3797
Website: pensionsadvisoryservice.org.uk

The Office of the Pensions Ombudsman

The Ombudsman has the power to investigate and decide upon complaints and disputes involving occupational and personal pension schemes. Any complaints or disputes regarding the administration of the scheme should therefore be sent to:

The Office of the Pensions Ombudsman

10 South Colonnade
Canary Wharf
E14 4PU
Telephone: 0800 917 4487
Email: enquiries@pensions-ombudsman.org.uk
Website: pensions-ombudsman.org.uk

The Financial Ombudsman Service

However, the Pensions Ombudsman has agreed with the Financial Conduct Authority that where the personal pension provider is regulated by the Financial Conduct Authority (FCA) that complaints and disputes involving the selling of personal pensions will be dealt with by the Financial Ombudsman Service. As ReAssure is regulated by the FCA any complaints and disputes of this nature should be referred to:

The Financial Ombudsman Service

Exchange Tower
London
E14 9SR

Telephone: 0800 023 4567
(free for people calling from a fixed land line)
0300 123 9123 (free for mobile phone users paying a monthly charge for calling phone numbers beginning with 01 or 02)
Email: complaint.info@financial-ombudsman.org.uk
Website: financial-ombudsman.org.uk

Making a complaint will not affect your legal rights.



11. Glossary

Annual Allowance

If the annual, total gross contributions paid by you, your employer or a third party, into all of your UK pensions are over the Annual Allowance, you'll be subject to a tax charge. If you're also in a defined benefit (final salary) scheme, the amount of annual allowance used up by that scheme will be based on the increase in the value of your benefits during the tax year. You can find the current annual allowance at www.reassure.co.uk/annual-allowance

Where the total of the contributions to all of your Registered Pension Schemes exceeds the Annual Allowance in a given tax year, unused allowances from up to three previous tax year may be available. Further information is also available at www.gov.uk

The Annual Allowance will not apply in the tax year in which you die or if you access your pension pot because of serious ill health.

There are two scenarios in which your annual allowance may be reduced. See [Money Purchase Annual Allowance](#) and [Tapered Annual Allowance](#).

Annuity

means a policy that provides a regular income for people aged 55 and over in exchange for a lump sum.

Arrangement

means a part of the scheme which provides benefits for you. You are allowed to have more than one arrangement.

Authorised fund

means a unit trust or open ended investment company (OEIC) authorised and regulated by the Financial Conduct Authority.

Capped drawdown

means a type of income drawdown. If you take capped drawdown there is a limit on the maximum amount of income that can be withdrawn each year. Under HMRC rules, new capped drawdown stopped being available from 6 April 2015, although existing capped drawdown can continue and it is possible to designate (allocate) more money from uncrystallised (unused) funds into an existing capped drawdown arrangement. The amount of maximum income allowed is reviewed every three years before age 75 and yearly after this. Capped drawdown can be paid as a regular income or as one-off payments as and when needed. It is possible to convert capped drawdown to [flexi-access drawdown](#), but once this happens it can't go back to capped drawdown. Capped drawdown will also become flexi-access drawdown if the yearly maximum income is exceeded.

Close of business

means, in normal circumstances, 5pm on a working day. This time may change in exceptional circumstances, such as a working day prior to an English public holiday or where an [external fund manager](#) does not provide a unit price for any fund.

Collective investments available from Aegon

We have a partnership agreement with Cofunds Limited (Aegon) to offer self-investment through a wide range of Open Ended Investment Companies (OEICs) through the Aegon Platform. Information on these can be found at cofunds.aegon.co.uk. The minimum investment is £1,000 per unit trust or OEIC.

Dependant

means:

- a person you were married to or in a registered civil partnership with at the time of your death; or
- your natural/adopted child provided he/she was, in the opinion of ReAssure, dependent upon you at the date of your death because of mental or physical impairment; or
- a person who falls into neither of the above categories and who at the date of your death was, in the opinion of ReAssure, (i) financially dependent on you or (ii) in a financial relationship of mutual dependence with you, or (iii) dependent on you because of mental or physical impairment.

External fund manager

means an investment management company other than ReAssure.

Finance Act

means the Finance Act 2004 and associated regulations as amended from time to time and any statutory re-enactment or modification of it.

Flexi-access drawdown (FAD)

means a type of drawdown income. Flexi-access drawdown is the only available option for new drawdown customers. Under HMRC rules, there is no limit on the maximum income that can be paid. Flexi-access drawdown payments can be paid as regular income or as one off payments as and when needed. As there is no maximum income limit, it is possible to take the whole of a flexi-access arrangement as a one off payment.

11. Glossary (cont.)

HMRC

means HM Revenue & Customs.

Insurer

means ReAssure Limited as insurer of the **scheme policy**.

Key Features document

means the Key Features and Illustration(s) which accompanied the letter headed **Your right to change your mind** and the cancellation form that were issued immediately upon you joining the scheme.

Lifetime Allowance

means the maximum amount of pension savings you're allowed to build up during your lifetime without paying an additional tax charge. The government can choose to change the LTA amount each tax year – check the current amount at www.reassure.co.uk/lifetime-allowance

Each time you 'crystallise' benefits from a pension, the amount you take is measured against the LTA. There are different events where benefits are 'crystallised' – known as 'benefit crystallisation events'. Broadly speaking, they are when you:

- Move pension benefits into a drawdown policy.
- Use pension benefits to buy a retirement income product, such as an annuity.
- Take regular or lump sum withdrawals from a pension (but not from a drawdown policy).
- Transfer pension benefits into a qualifying recognised overseas pension scheme.
- Reach 75 and have remaining pension benefits which are 'uncrystallised' or in a drawdown policy.

Each time one of these events occurs, your pension provider will send you a certificate to show how much of your lifetime allowance has been used up.

Member's SIPP bank account

means the bank account set up for the purpose of facilitating self-investment or as a method of paying retirement income or other benefits.

Membership certificate

means the certificate issued to you when you joined the scheme or began a new arrangement under it.

Money Purchase Annual Allowance

means a type of reduced **Annual Allowance**. If you've taken an **UFPLS** or **flexi-access drawdown** from a UK pension, the Money Purchase Annual Allowance (MPAA) will apply, and will continue to apply for each following tax year. This means you won't be able to save as much into your UK pension/s each year. You can find the current MPAA at www.reassure.co.uk/annual-allowance

You cannot take up unused allowances from previous tax years to increase your money purchase annual allowance

Payment type

means regular contributions, one off contributions and transfer payments.

Pension fund

means the total value of your investments in insured fund(s) and the value of self-invested assets.

Pensions Flexibility

means accessing a money purchase pension pot to provide a retirement benefit using one of the options introduced from 6 April 2015. These options are an **uncrystallised funds pension lump sum (UFPLS)** or receiving an income drawdown payment under **flexi-access drawdown** rules.

Qualifying Recognised Overseas Pension Scheme

means an overseas pension scheme that meets certain requirements in order that it can be recognised by HMRC. A Qualifying Recognised Overseas Pension Scheme can receive the transfer of UK pension benefits without incurring an unauthorised payment and scheme sanction charge.

Receipt date

means in respect of a contribution, instruction, evidence or information, as appropriate, the working day on which it is received if before 5pm. If it is received after the relevant time, the receipt date means the next working day.

Registered Pension Scheme

means a scheme which is registered under Chapter 2 of Part 4 of the Finance Act 2004.



11. Glossary (cont.)

Relevant UK earnings

means:

- income immediately derived from a trade, profession or vocation (whether individually or as a partner acting personally in a partnership);
- employment income such as salary, wages, bonus, overtime, commission (providing it is chargeable to tax);
- any part of a redundancy payment which exceeds the £30,000 tax exempt threshold;
- benefits in kind which are chargeable to tax (applies to employees earning over £8,500, and to directors);
- profit related pay (including the part which is not taxable);
- Statutory Sick Pay (SSP) and Statutory Maternity Pay (SMP) provided it is paid by the employer and chargeable to tax;
- Permanent Health Insurance (PHI) payments paid by the employer whilst you are still in employment;
- general earnings from overseas Crown employment which are subject to tax;
- amounts deducted from salary to purchase partnership shares in a share incentive plan
- provided they qualify as such.

This is not an exhaustive list.

Scheme policy

means the insurance policy or policies issued to the Trustees by ReAssure Limited.

Scheme rules

means the scheme documents (as amended from time to time) which govern the scheme.

Selected retirement date

means the date, agreed between you and ReAssure at the time you join the scheme, on which payment of your benefits is due to begin. It will be shown on your membership certificate. If you take your benefits before your selected retirement date, the conditions set out in 7.2.4 will apply. Where you take any benefits from self-invested assets, the conditions set out in 8.7 will apply.

Tapered Annual Allowance

means a type of reduced **Annual Allowance**. It applies if your income (including the value of any pension contributions) is over £150,000 and your income (excluding the value of any pension contributions) is over £110,000. You can find more details at www.reassure.co.uk/annual-allowance

Terms Sheet

means the Terms Sheet when you joined the scheme or a later Terms Sheet issued by ReAssure to reflect changes to charges and/or changes to your arrangement.

Third party contributions

means contributions from anyone who isn't the policyholder, member or member's employer. Third party contributions count towards the annual allowance and are eligible for tax relief.

Trustees

means G Trustees Limited or such other trustee of the scheme from time to time.

Uncrystallised fund pension lump sum (UFPLS)


means the option for a pension holder to withdraw some or all of their uncrystallised funds as a lump sum. 25% of the UFPLS is tax-free, with the remainder taxed as income.

Unit(s)

means a notional share of a fund used for calculating the value of a pension fund in the case of insured arrangements.

Working day

means any day from Monday to Friday inclusive, excluding English public holidays.

 reassure.co.uk

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