



<p align="center">Appropriate Personal Pensions - Summary of main rules</p> <p align="center">These are private pensions savings built up from national insurance rebates – they are often referred to as Protected Rights or Contracted-out Personal Pensions</p>			
	<i>Rules up to 5 April 2006</i>	<i>Rules from 6 April 2006 to 5 April 2011</i>	<i>Rules from 6 April 2011</i>
<i>Maximum Contributions and tax relief</i>	Age related rebates received from the National Insurance Contribution's Office and attendant tax relief.	No change.	No change. (Contracting-out through an Appropriate Personal Pension will be abolished from 6 April 2012. From this date Protected Rights will be treated in the same way as Personal Pension Ordinary Rights.)
<i>Maximum Benefits</i>	No limits	No limit, but if your total benefits in all pension schemes when added together are over your lifetime allowance you will pay an extra tax charge on the excess. Benefits are usually measured against the standard lifetime allowance (SLA), but a higher lifetime allowance may be available if certain conditions are met. The SLA is £1.8m in 2010/11.	No limit, but if your total benefits in all pension schemes when added together are over your lifetime allowance you will pay an extra tax charge on the excess. Benefits are usually measured against the standard lifetime allowance (SLA), but a higher lifetime allowance may be available if certain conditions are met. The SLA is £1.8m in 2011/12 and is reducing to £1.5m from 2012/13.
<i>Permitted Normal Retirement Ages</i>	Minimum: 60 Maximum: 75	Minimum: 50 (55 from 6 April 2010) Maximum: 75	Minimum: 55 No Maximum age
<i>Maximum Tax Free Cash</i>	Not permitted.	25% of the fund value subject to a maximum of 25% of the SLA (£450,000 for 2010/11). This limit applies in total to your protected rights policy and any other pensions you may have.	25% of the fund value subject to a maximum of 25% of the SLA (£450,000 for 2011/12). The maximum tax-free cash allowed after age 75 is 25% of your fund as at your 75th birthday. This limit applies in total to your protected rights policy and any other pensions you have.



<p><i>Maximum amount to be commuted as a lump sum under triviality rules</i></p>	<p>Available between age 60 and 75.</p> <p>The combined fund value of your protected rights policy and any other protected rights and ordinary rights personal pensions you have must not be able to provide a pension of more than £260 a year.</p>	<p>Available between age 60 and 75.</p> <p>The combined fund value of your protected rights policy and any other pensions you have must not exceed 1% of the SLA (£18,000 in 2010/11).</p>	<p>Available from age 60 onwards.</p> <p>The combined fund value of your personal pension policy and any other pensions you have must not exceed 1% of the SLA (£18,000 in 2011/12).</p> <p>When the SLA reduces to £1.5m in 2012/13 the 1% link is lost and the 'triviality limit' becomes a flat-rate £18,000.</p>
<p><i>Death Before Retirement Benefits</i></p>	<p>If you have a spouse or civil partner: Your fund must provide them with an annuity.</p> <p>If there is no spouse or civil partner: The fund can be paid as a lump sum, or used to buy a dependant's annuity.</p>	<p>If you have a spouse or civil partner: Your fund must provide them with an annuity.</p> <p>If there is no spouse or civil partner: The fund can be paid as lump sum. This is tax-free up to the SLA, but there will be a tax charge on any excess.</p> <p>AND/OR</p> <p>Alternatively the fund can be used to provide a dependant's annuity.</p> <p>Return of the fund payable up to £1.8m (2010/11 – 2015/16) on death before age 75 and/or a dependant's annuity bought by the fund.</p>	<p>If you have a spouse or civil partner: Your fund must provide them with an annuity.</p> <p>If there is no spouse or civil partner: The fund can be paid as lump sum.</p> <p>If you die before your 75th birthday, this is tax-free up to the SLA, but there will be a tax charge on any excess.</p> <p>If you die after age 75, there is an automatic 55% tax charge on the lump sum.</p> <p>AND/OR</p> <p>Alternatively the fund can be used to provide a dependant's annuity.</p>
<p><i>Death After Retirement Benefits</i></p>	<p>The balance of any guarantee period and/or a dependant's annuity bought by the fund.</p>	<p>The balance of any guarantee period (paid as a pension).</p> <p>OR</p> <p>A lump sum* payable provided death occurs before age 75. This will equal the amount used to buy the pension minus any gross income payments. This value is then subject to a 35% tax charge.</p> <p>A dependant's annuity may also be payable.</p>	<p>The balance of any guarantee period (paid as a pension).</p> <p>OR</p> <p>A lump sum* equal the amount used to buy the pension minus any gross income payments. This value is then subject to a 55% tax charge. This lump sum can be paid if you die before or after your 75th birthday.</p> <p>A dependant's annuity may also be payable.</p>

* Windsor Life does not offer this kind of lump sum.
Document last updated 1 April 2011