



# Windsor Life Personal Pension Plan

## Policy Provisions

### 1. Definitions

**Benefit Crystallisation Event** means in relation to you any of those events listed under section 216 of the Finance Act 2004.

**Company** means Windsor Life Assurance Company Limited.

**Dependant** has the meaning in paragraph 15 of Schedule 28 to the Finance Act 2004.

**Individual Lifetime Allowance** has the meaning set out in section 218 of the Finance Act 2004.

**Normal Pension Date** means the date you have chosen to take your pension benefits as stated in the Schedule or such other date as may subsequently be agreed by the Company.

**Other Scheme** means a Registered Pension Scheme, a qualifying recognised overseas pension scheme as described in section 169(2) of the Finance Act 2004 or an insurer where the proposed transfer is as described in section 169(1A) of the Finance Act 2004.

**Protected Rights** means your right to benefits payable as a result of contracting-out of the State Earnings Related Pension Scheme or the State Second Pension.

**Registered Pension Scheme** means a scheme registered with HM Revenue and Customs as a pension scheme in accordance with the provisions of Chapter 2, Part 4 of the Finance Act 2004.

**Rules** mean the trust deed and rules from time to time governing the Windsor Life Personal Pension Scheme.

**Scheme** means the Windsor Life Personal Pension Scheme established by a deed.

**Standard Lifetime Allowance (SLA)** has the meaning set out in section 218 of the Finance Act 2004.

**You** means the person named as The Policyholder in the Schedule

### 2. Pension Contributions

- (a) Any regular contribution is payable in the amounts and on the dates shown in the Schedule through the direct debit system or such other method as may be acceptable to the Company.
- (b) Additional single contributions may be paid in respect of this policy at any time.
- (c) If any regular contribution is not received within 30 days of the due date under the Schedule this policy will be made paid up.
- (d) You can terminate regular contributions at any time in which case this policy will be made paid up.

- (e) In the event of this policy being made paid up, payment of contributions may restart at any time subject to the agreement of the Company.
- (f) At any time, you may choose to change the amount of your regular contributions, provided that the amount of any reduced contribution is not less than the minimum amount declared by the Company as set out in Key Features.
- (g) If you have chosen to use this policy to contract-out of the State Second Pension, national insurance rebates will be treated as regular contributions.
- (h) Basic rate income tax relief that the Company can claim on the regular contributions and any additional contributions will be treated as part of your contributions.

### 3. Unit Allocations and Cancellations

- (a) Each time the Company receives regular contributions (including any national insurance rebates), additional contributions or transfer values, units will be allocated to this policy on the date that the payment is received, or the due date, if later, in the case of a regular contribution.
- (b) The number of units allocated is calculated by dividing the amount of the payment received by the price of a unit in the fund(s) shown in the Schedule, rounded down to the nearer one ten-thousandth part of a unit.

### 4. Normal Pension Date

- (a) Your Normal Pension Date can be any date between age 50 (rising to age 55 from 6 April 2010) and age 75. Your Normal Pension Date can be earlier than age 50 if you joined the scheme before 5 April 2006 and HM Revenue and Customs have approved your occupation for early retirement.
- (b) You can take your pension benefits at any time on medical grounds and subject to the Company receiving medical evidence from a registered medical practitioner that you are incapable of undertaking your occupation because of physical or mental impairment.
- (c) Other than in a case of ill-health early retirement, you do not have to stop working to take your pension benefits.
- (d) Before your Normal Pension Date, the Company will provide you with details of the number and value of units allocated to this policy, and offers a range of pension benefit



options. You must then reply in writing to the Company indicating your selected option(s) no later than one calendar month before your Normal Pension Date. The options available will depend on the Rules and the practice adopted by the Company at the time you take your pension benefits. The current options are summarised in the following paragraphs.

## 5. All Pension Benefits

When you take your benefits you will be able to choose from the lifetime annuities we offer at that time or take an open market option to another company who offer retirement products.

### (a) Lifetime Annuity

You will be able to buy a lifetime annuity with the fund available at the time you choose to retire using the annuity rates then. The amount of lifetime annuity will depend on the type of pension income you choose and the size of your fund.

### (b) Open Market Option

When you choose to retire you can buy your pension from another insurance company. We will pay the value of this policy at the time less any tax-free lump sum and any tax which may be deductible to the other pension provider.

### (c) Lump Sum Option

When you choose to retire you may take up to 25% of the value of this policy as a tax-free cash sum. The lump sum will not be paid before the date on which the pension starts.

### (d) Trivial Pension Lump Sum Option

If, before any part is exchanged for a lump sum, the aggregate value of your pension benefits under all Registered Pension Schemes is 1% of the Standard Lifetime Allowance or less on the nominated date, and provided that you are taking your pension benefits between age 60 and age 75, you may take the whole of the value of this policy as a cash sum less tax. From when you first take a trivial pension lump sum from any other Registered Pension Scheme, this option will cease to apply to this policy after a period of 12 months.

On payment of a trivial pension lump sum, no other benefits will be payable to or in respect of you under this policy. If you have more than one policy under the Scheme and you elect to take a trivial pension lump sum under this option you must take all your benefits under the Scheme at the same time.

## 6. Serious Ill-health Lump Sum Option

If you are under age 75 and have a life expectancy of less than one year, you will be able to take the value of this policy at the time

as a tax-free cash lump sum subject to having sufficient lifetime allowance available. This option will be subject to the Company receiving satisfactory evidence from a registered medical practitioner that your expectation of life is less than one year. A pension that is already in payment may not be converted to a lump sum under this option.

## 7. What happens if you die before you take your pension benefits?

(a) Any regular contributions will stop, and the life cover amount (if any) and the value of this policy at the time will become payable. These benefits are payable in the form of a cash lump sum unless the policy includes Protected Rights and you are survived by a widow, widower or Registered Civil Partner, in which case the Protected Rights must be payable as a pension to your widow, widower or Registered Civil Partner.

Full details regarding payment of the death benefits are contained in the Rules.

(b) Payment of death benefits is subject to the Company being provided with satisfactory proof of your death.

## 8. Transfers

(a) At any time before the pension is to commence you may request that the policy be cancelled and a transfer value equal to the value of this policy at the time be paid to an Other Scheme.

(b) Transfer values can be paid into the policy at any time from an Other Scheme, subject to the Company's agreement.

## 9. Valuation of this policy

(a) If you take your pension benefits at Normal Pension Date, the value of this policy will be the units allocated to this policy multiplied by the unit price on your Normal Pension Date.

(b) If you take your pension benefits before or after your Normal Pension Date, the value of this policy will be the units allocated to this policy multiplied by the unit price on the next valuation date after the day that the Company receives your written instructions and all further information that it has requested. If you take your pension benefits at age 75, the Company will use the unit price on that date.

(c) If you die before you take your pension benefits, the value of this policy will be the number of units allocated to this policy multiplied by the unit prices on the next valuation date after the day that the Company receives written notice of your death.



- (d) If you request a transfer, the value of this policy will be the number of units allocated to this policy multiplied by the unit price on the next valuation day after the day that the Company receives your written instructions and all further information that it has requested. If we need to realise assets of any fund to provide you with your transfer value, the Company reserves the right to defer the valuation and payment of the transfer value in exceptional circumstances as set out in Provision 15 paragraph (d) below.

## 10. Taxes and Special Circumstances

- (a) The Company shall administer this policy and make payments on such terms, as it deems necessary from time to time in order to maintain it as a Registered Pension Scheme.
- (b) All Benefit Crystallisation Events, will be tested against your Individual Lifetime Allowance.
- (c) The Company may reduce your pension benefits under this policy to reflect the amount of any tax charges that the Company is liable to pay in respect of this policy under Chapter 5 of the Finance Act 2004.
- (d) You agree to repay to the Company any tax charges that the Company pays in respect of this policy under Chapter 5 of the Finance Act 2004 to the extent that the Company is unable to recover those charges by reducing your pension benefits.
- (e) If there is any change in the law or taxation affecting this policy, or if there is a change in circumstances which (in the opinion of the Company) renders these policy provisions impractical to apply, then these provisions may be varied as the Company deems reasonable and appropriate by issuing you with an endorsement.

## 11. HM Revenue & Customs Provisions

If at any time this policy ceases to be a Registered Pension Scheme, the Company will be under no obligation to accept further contributions under this policy.

## 12. Fund Switching

- (a) You may elect to have units allocated to this policy cancelled, and to have the value of the units applied to the allocation of units in any other investment fund available for policies of this type. The number of units to be so allocated will be calculated using the price on the next valuation date following notification to the Company.

- (b) Charges, as set out in Key Features or otherwise notified to you in writing, will be deducted before any such switch takes place. No charge will be deducted for any switch into the Deposit Fund taking place within five years immediately before the Normal Pension Date.
- (c) Following a switch, future contributions will be allocated to the policy in the specified fund(s) in such proportion as you may specify.
- (d) The Company reserves the right to defer switching of units in exceptional circumstances as set out in Provision 15 paragraph (f) below.

## 13. Funds and Units

- (a) The Company shall maintain a number of investment funds, which are divided into units. The Company shall retain legal and beneficial ownership of the underlying assets, and shall have discretion on the investment content of the funds. The Company may at its discretion add to or reduce the number and type of funds which are available for investment.
- (b) The Company may at its discretion introduce money into or withdraw money from each fund at any time subject to the respective creation or cancellation of the appropriate number of units.
- (c) The Company may at any time borrow money from any source in connection with the operation of any funds and shall have power to charge the assets of the funds as security. The liability of the Company for repayment of such borrowing and any interest due and any expenses incurred shall be deemed to be a liability of the funds.
- (d) Income from the assets of a fund shall accrue to and form part of the fund.
- (e) The Company shall be entitled to deduct from each fund:
- the costs of acquiring, disposing of and valuing the assets of the fund; and
  - appropriate amounts for any expenses, duties, levies and other charges, including those under (f) below. Details on charge deductions are set out in Key Features or can be obtained from us in writing.
- (f) A management charge, as set out in the Key Features, is deducted from each fund daily. The Company will take the number of units that equal the value of those charges using the unit price on that day. Any alteration to the rate of charge shall be applied to all policies of the same class. If the assets of a fund include a holding of units of another fund, the fund charge shall be reduced appropriately.



- (g) The prices of a unit in each fund are calculated at such time intervals, as the Company shall decide at its discretion. The Company's decision on the value of each fund shall be final.
  - (h) The price of a unit shall be calculated by reference to the value of the fund reduced by all mortgages, charges, liabilities and provisions in respect of the assets. The results are divided by the number of units in issue at that time and rounded by not more than 1%.
  - (i) The Company may withdraw a fund at any time in which case you can switch the value of the units allocated to this policy under that fund to another fund without charge. If you fail to make a choice of another fund, the Company shall choose it for you.
  - (j) The Company may stop accepting future contributions or transfer values into a fund at any time in which case you can choose another available fund without charge. If you fail to make a choice of another fund, the Company shall choose it for you
- (b) All benefits and contributions under this policy are payable in sterling.
  - (c) Should any monthly pension be for an amount less than £35 per payment or such other amount as the Company may declare from time to time, then the frequency of payment will be changed to yearly.
  - (d) Any pension payable to you or your spouse, Registered Civil Partner or other nominee(s) will be paid on proof acceptable to the Company of dates of birth, entitlement to receive the pension benefits and continuing survival.
  - (e) This policy shall be governed by the Law of England.
  - (f) We may give you notice that we will defer cancellation of units from the date we receive your instruction to cancel. We will only do this in exceptional circumstances, where we feel such action is required to protect your interests and those of other policyholder's. Such a deferment would apply where markets for the sale of the Fund's assets are subject to conditions such that the assets can not be readily traded at prices which allow us to ensure that policyholder reasonable interests are protected. For example, should the fund hold assets in the form of buildings or land. The period of deferment will not be longer than 6 months. In any event, we will always aim to act in a reasonable manner, with the protection of policyholder interests in mind. This provision does not apply to the payment of Death Benefits.
  - (g) Any reference to a statute includes any modification or re-enactment of it and any regulations, orders or other delegated legislation made under it.
  - (h) Nothing in this policy gives any direct contractual rights to anyone else including your spouse, Registered Civil Partner or Dependant.

#### **14. Scheme Rules**

- (a) This policy is issued under the Scheme, which is a Registered Pension Scheme.
- (b) This policy is governed by the Rules.
- (c) A copy of the Rules is available on request.

#### **15. General**

- (a) All elections, nominations, written notifications, information, notices or requests to the Company provided for in this policy shall be in form or in a manner prescribed by the Company and received at the head office of the Company unless a specific exception has been requested and agreed by the Company.

**This version 1.4 of TP500 policy provisions is correct as at July 2009.**