



## Key Features of the Windsor Life Personal Pension Plan

### **keyfacts**<sup>®</sup>

The Financial Services Authority is the independent financial services regulator. It requires us, Windsor Life, to give you this important information to help you decide whether our Personal Pension Plan is right for you. You should read the document carefully so that you understand what you are buying, and then keep it safe for future reference.

With this document you will find a personal illustration showing the benefits included and how the plan may work for you. You should read your illustration with this document.



## Key Features of the Windsor Life Personal Pension Plan

### Its aims

- To provide a Lifetime Annuity at retirement for you and, where appropriate your named spouse, or civil partner.
- To enable you to take a tax-free lump sum at retirement in exchange for a smaller Lifetime Annuity if you prefer.
- To enable you to build up a fund by investing in stock market related investments to allow you to save for your retirement, while benefiting from tax concessions.
- To provide benefits on death.

### Your commitment

- To pay either regular contributions for a specified number of years until your chosen retirement date, or to make one or more single contributions (or a combination of the two).
- To tell us if your circumstances change.

### Risks

- This policy is unit linked, which means it is linked to the value of investments held in fund(s) of your choice. The investment growth may be less than anticipated. This would result in smaller benefits than you expected.
- If you stop contributing early or draw your Lifetime Annuity earlier than your chosen retirement date, your retirement fund may be smaller than anticipated.
- We do not guarantee charges and may review them at any time.
- The cost of buying a Lifetime Annuity when retiring may be higher than expected.
- Due to the impact of inflation, the money that the policy provides may buy less in the future than the same amount would today.



## Questions and answers

This section aims to answer some questions you may have about this policy. Where relevant, the answers will direct you to where you can find further information.

### What is the Personal Pension Plan?

- It is a unit linked policy designed specifically to enable you to save for your retirement.
- You save regularly each month or year and add single contributions whenever you wish.
- All of the contributions are eligible for tax relief up to certain limits imposed by HM Revenue & Customs. Fund growth is not taxed, except that tax taken off for share dividends from UK and some overseas equities which you cannot reclaim.
- At retirement you will have a pension fund that you can use to buy a Lifetime Annuity to suit you at that time.
- When you come to retire we will give you options, including an Open Market Option (OMO).
- You should be aware that stakeholder pension schemes are available as an alternative investment, which may be at least as suitable for your individual circumstances as this personal pension scheme.

### Can I be sure how much my Lifetime Annuity will be?

- No; the size of your Lifetime Annuity will depend on the size of your fund at retirement. This depends partly on how much you have put into your fund and how long it has had to grow. It also depends on investment growth, charges that may affect your policy, pension annuity rates at the time of retirement and how much tax-free cash (known as the 'pension commencement lump sum') you have taken.
- Your Lifetime Annuity will be taxed in payment as earned income and will therefore receive all the normal tax allowances.

### What happens if I die?

- If you die before your retirement, and you are under the age of 75, we will pay the full value of your units at the date of your death as a tax-free lump sum up to the value of the available lifetime allowance. After age 75 there would be a tax charge of 55%.
- We will add any additional death benefits to the lump sum. If the value of your policy on death, when added to any other pension scheme you may have, exceeds the available lifetime allowance then there is a tax charge on the excess.
- You should note that this benefit must be claimed and paid out within 2 years of your death or there will be a tax charge on the fund value. If these apply then further details will be provided with the policy schedule.
- If you die after you retire, the benefits depend on the type of annuity you have chosen.



## Who can pay contributions?

- You, your employer or any other third party can pay contributions into this plan.
- Contributions may be paid in the following ways:
  - Regular contributions paid monthly, quarterly, half-yearly or yearly.
  - Additional single contributions.
- 100% of each contribution will be allocated to buy units, not including any contribution for waiver of contribution.

## What are the maximum and minimum contributions?

### Maximum Contributions

- There is one limit set by HM Revenue & Customs known as the Annual Allowance (AA). This is the maximum amount that you can contribute to all registered pension schemes each year and still claim tax relief without any tax charge.
- The year is known as the pension input period and is the tax year 6 April to 5 April.

### Minimum contributions

- Contributions are subject to minimum levels set by us from time to time.
- The current minimum level is £10 a month or £100 a year gross for regular contributions, and £500 gross for single contributions.
- When you come to take your retirement benefits, the total benefit amount is reviewed against your Lifetime Allowance. This is the maximum amount that can be built up in all registered pension schemes in your lifetime without incurring a tax charge. If the value of all your pensions is over the Lifetime Allowance when you retire, you may face a tax charge on the money over the limit.

## Can I increase my contributions?

- Regular contributions can be either increasing or level.

### Increasing Contributions

- You can choose for the regular contributions to increase each year on the date shown on your policy Schedule.
- You may choose one of the following annual increase options:
  - the increase in the National Weekly Earnings Index (NWEI) or 5%, whichever is greater;
  - the increase in the Retail Prices Index (RPI); or
  - a fixed percentage in the range 0% - 10%.

### Level Contributions

- The regular contribution will remain fixed for the entire term of the policy, unless you request to vary the contributions.



## Can I make extra contributions?

- You can increase your regular payments or pay additional single contributions at any time subject to our minimum limits.

## What happens if I stop paying contributions?

- This will lead to the policy becoming paid-up. If a fund has accumulated by that time it will remain invested.
- You and/or your employer can restart regular contributions or pay additional single contributions at any time, subject to you remaining eligible.
- You can reduce contributions at any time, provided the reduced contribution level is greater than the minimum level set by us.

## Which funds can I invest in?

- Contributions will buy units in one or more of Windsor Life's investment funds.
- It is important to remember the value of units can go down as well as up. Many funds invest in unit trusts on preferential terms with experienced and sizeable fund management groups.
- There are currently 14 funds to choose from. Please see the **Investment Funds** area of the **Further Information** section for a list of them.
- You should be aware that some funds have a higher risk associated with them than others.
- You may switch funds at any time. The first 4 switches in each policy year are free and after that, we currently charge £20 for each switch.

## How do I claim tax relief?

### Personal contributions

- You pay your contributions to us net of basic rate tax relief; subject to HM Revenue & Customs limits.
- Tax relief is available on either 100% of your UK taxable earnings or up to £3,600 gross if earnings are less than £3,600. Contributions are eligible for tax relief up to your highest rate of personal income tax.

### Employer contributions

- There is no limit on the amount of contributions employers may pay on your behalf, or on the amount of tax relief they can claim back from HM Revenue & Customs.
- However, if this contribution exceeds the AA then you may be subject to a tax charge.

### Third party contributions

- These 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.

**Please remember that tax rules and rates can change.**



## What are the charges?

- Each fund carries an annual management charge of 0.95% which is taken from the value of the fund(s).
- In addition, the funds bear their own investment expenses (including any fees charged by and rebates given by unit trust managers where applicable). The amount of the investment expenses varies by fund. These will increase the charge on the funds and the approximate range of charges are set out in the **Investment Expenses** area of the **Further Information** section.
- Units are allocated to the policy at the offer price on the date that the contribution falls due or the date of receipt of contribution whichever is the later. Units are sold at the bid price. There is currently no difference between the offer price and bid price.

## Can I transfer this pension plan?

- You may transfer the fund to another pension UK registered pension scheme or qualifying recognised overseas pension scheme. If you propose to transfer to another type of scheme it would mean an unauthorised payment charge.
- We calculate the transfer value as the value of units at that time.

## When can I take my benefits?

- HM Revenue & Customs will not usually allow you to take money out of your pension until age 55, unless:
  - you are retiring due to ill health, when we will pay you an ill health Lifetime Annuity at the time you retire. We will need certification from a medical practitioner of your state of health, or
  - you are diagnosed with a serious illness from which you would die within 12 months. You could commute your policy for a lump sum, which would require certification by a medical practitioner.
  - you have one of a specified range of jobs that has a lower retirement age agreed by HM Revenue & Customs.
- When you take your benefits, all your units will be valued at the prevailing price and this will represent the value of your fund, which will then be used to calculate your retirement Lifetime Annuity.
- The Lifetime Annuity will be paid to you as a regular income for the rest of your life.
- The form in which pension benefits are payable may be chosen from a range of options, including a Lifetime Annuity to your spouse or other dependants in addition to a Lifetime Annuity payable during your life, and provision to protect against the effects of future inflation.
- Generally, you will be able to take up to 25% of the value of your fund as a tax free cash lump sum subject to the level of your available lifetime allowance. You may take a lump sum, free of tax, in exchange for lower benefits. HM Revenue & Customs govern the maximum amount of the lump sum. We will supply information at your retirement.



- You may transfer your fund to obtain retirement benefits from another pension provider under the Open Market Option (OMO). If you want to take any tax free cash, we must pay this before we transfer the policy to the receiving scheme.

## What happens if I lose touch with you?

- It is your responsibility to let us know where you live. We will make every effort to find you if you move away, but you should not rely on this.
- If we cannot contact you, we will not be able to:
  - tell you about changes in legislation;
  - give you statements about how your fund is performing; or
  - tell you what benefits are available to you.
- You should tell us before your 75<sup>th</sup> birthday what you want to do with your pension fund. If we don't hear from you before your 75<sup>th</sup> birthday, we will move all of your policy into a deposit fund until we receive instructions on what you want to do with your money. We would provide you with more information about this at the time.

## Can I change my mind?

- After we accept your proposal we will send you your policy provisions, which will include a Cancellation Notice. If you decide you do not want the policy, you will have 30 days from the day you received your policy provisions to let us know. You can do this by writing to us or sending back the completed Cancellation Notice.
- We will refund any money you have paid free of any charges. See the section **Your right to change your mind** in the **Further Information** section for more details.



## Key Features - Further Information

This section aims to give you more detailed information about the plan, in addition to the Questions and Answers section.

### Type of Policy

A unit-linked Personal Pension Plan issued within the Windsor Life Personal Pension Scheme that is a registered pension scheme under the Finance Act 2004.

### General

- We will only communicate with you in English.
- We do not offer financial advice, and all business you take out with us is on an execution only basis. (This means that you make your own decision and tell us what you want us to do after reading the information we send to you.)
- The law of England will apply to any disagreements about the policy.

### Investment Funds

There are currently 14 funds to choose from which we have listed below. You should be aware that some funds have a higher risk associated with them than others.

**American:** This fund invests in North American equities, with exposure to both large and small companies. The fund aims to provide long-term capital growth. Capital growth is less predictable because of the type of investment, the foreign content and exchange rate variations. This increases the risk of the actual investment returns being less than those assumed in your illustrations.

**Balanced:** This fund invests in UK Government issued fixed interest stocks (gilts) and directly held equities of FTSE<sup>TM</sup> 100<sup>1</sup> UK companies. The fund aims to provide long-term capital growth.

**Deposit:** A UK fund investing in short-dated money market instruments and cash deposits with leading financial institutions. The aim of the fund is to provide capital protection with growth at short-term interest rates.

**European:** This fund invests in European equities, both in countries within the EURO zone and those outside, with the aim of providing long-term capital growth.

Capital growth is less predictable because of the type of investment, the foreign content and exchange rate variations. This increases the risk of the actual investment returns being less than those assumed in your illustrations.

**Far East:** This fund invests in unit trusts whose investments are in Japan and the Pacific Rim countries. The fund aims to provide long-term capital growth. Capital growth is less predictable because of the type of investment, the foreign content and exchange rate variations. This increases the risk of the actual investment returns being less than those assumed in your illustrations.

**Index-Linked:** A fund investing in UK Government index-linked stocks (index-linked gilts). The returns from index-linked treasury stocks are linked to the Retail Prices Index; however the returns from the Fund are linked to the underlying price of the stock, which can go down and well as up.

**International:** This fund invests in global equities, held both directly and via unit trusts, with the aim of providing long-term capital growth. Capital growth is less predictable because of the type of investment, the foreign content and exchange rate variations. This increases the risk of the actual investment returns being less than those assumed in your illustrations.

**Japan:** This fund invests in unit trusts whose investments are solely Japanese, with the aim of providing long-term capital growth. Capital growth is less predictable because of the type of investment, the foreign content and exchange rate variations. This increases the risk of the actual investment returns being less than those assumed in your illustrations.

**Managed:** A managed fund with the investments spread over all the major areas - equities (UK and foreign), gilts and other fixed interest stocks, property and cash deposits. The objective is to provide steady long-term returns whilst safeguarding the fund against unnecessary risks.



**Property:** This fund invests in UK property, with exposure to all the main property and geographical sectors. The fund aims to provide long-term capital growth. Please note that you may not be able to switch or cash in your units in the Property fund immediately as the property may not always be readily saleable.

**Special Situations:** This fund invests in a mix of unit trusts and direct equities, investing in both UK and overseas equities. The aim of the fund is to provide long-term capital growth. Capital growth is less predictable because of the type of investment, the foreign content and exchange rate variations. This increases the risk of the actual investment returns being less than those assumed in your illustrations.

**UK Equity:** The fund invests in a wide range of UK equities, held via both unit trusts and direct equities, with the aim of providing long-term capital growth.

**UK Equity Tracker:** This fund aims to track the FTSE™ 100 index<sup>1</sup>. It invests directly in the companies, which comprise the index, with the aim of providing long-term capital growth.

**UK Fixed Interest:** A managed fund investing in high quality, sterling dominated fixed interest stocks. Although the income from fixed interest stocks is fixed, the price of the underlying assets can go down as well as up due to changes in interest rates.

### Investment Tax Relief

Investment Income and Capital Gains: All investment income and capital gains earned by us within your pension policy are free of taxation, except that tax deducted at source in respect of share dividends from UK and some overseas equities cannot be reclaimed.

**Please remember that tax rules and rates can change.**

### Investment Expenses

The above funds bear their own investment expenses (including any fees charged by and rebates given by unit trust managers where applicable). The amount of the investment expenses varies by fund. These will increase the charge on the funds and the approximate range of charges are set out below:

• American	0.10% - 0.25%
• Balanced	0.00% - 0.10%
• Deposit	0.00% - 0.10%
• European	0.10% - 0.25%
• Far East	0.25% - 0.50%
• Index-Linked	0.00% - 0.10%
• International	0.10% - 0.25%
• Japan	0.10% - 0.25%
• Managed	0.10% - 0.25%
• Property	0.10% - 0.25%
• Special Situations	0.25% - 0.50%
• UK Equity	0.10% - 0.25%
• UK Equity Tracker	0.00% - 0.10%
• UK Fixed Interest	0.00% - 0.10%

These rates are determined by experience and therefore may vary in the future. The Windsor Life funds and corresponding unit prices are currently valued daily.

### Your right to change your mind

You have 30 days from the date you receive your policy provisions to let us know if you want to cancel your policy.

If you change your mind, and you chose to pay regular premiums, we will give you back your money. If you have paid a one off premium we will give you back your money, however, if your fund has reduced in value the money we pay you will be less than your original payment. You will not receive more than you gave us.

Your cancellation notice will include full details of what to do if you change your mind. If you decide not to go ahead you can send the completed cancellation notice or a letter to Windsor Life, Windsor House, Telford Centre, TF3 4NB.

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<sup>1</sup> FTSE™100 Index is a registered trademark of the London Stock Exchange plc and the Financial Times Limited.



## **Compensation**

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our responsibilities. The FSCS currently covers 90% of the total claim. You can get more information about compensation arrangements from the Financial Services Compensation Scheme.

## **Tax**

You can find further information about tax and pensions in the member pages of the Registered Pension Schemes Manual available at [www.hmrc.gov.uk](http://www.hmrc.gov.uk).

## **Questions and complaints**

For information about or changes to your policy, please contact

Windsor Life  
Customer Services Department  
Windsor House  
Telford Centre  
TF3 4NB

Telephone: 0800 073 1777

If you want to complain about any part of the service you have received, please contact our Customer Services Department. We have a complaints procedure, and you can ask us for a copy of this.

If you are not happy with how we deal with your complaint, you can then complain to

The Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London E14 9SR.

Telephone 0845 - 0801800

If you contact the Financial Ombudsman Service, or make a complaint, it will not affect your right to take legal action.

**These Key Features (TP500 version 6.1 KF 03/11) are a guide to the product. They are based on Windsor Life's understanding of the Law of England and HM Revenue & Customs practice as at March 2011. The statements made relate only to the products of Windsor Life and group of companies. Full details are contained in the policy document, which is the legally binding contract between you and Windsor Life.**