

# Key Features of the Immediate Life Annuity

# Immediate Life Annuity

## Key Features

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

This Key Features document gives you the main points of the plan. Your illustration shows you the payments you may get. Please read them so you understand what you're buying and keep them with your plan documents.

This document assumes that you are covered by the plan. You may be able to take out the plan to cover other people. If you do this then the details in this document of what will happen during your lifetime or on your death will apply to them.

### Its aim

- To pay a guaranteed income for the rest of your life.

### Your commitment

- You pay us a single contribution at the start of the plan.
- You make a once and for all decision about the kind of plan you want.

### Risks

- You cannot change or cash in your plan, even if your personal circumstances change.
- We will not pay out anything on death unless you choose a guaranteed period or to protect your capital. You can find out more details in the 'What payments will I get?' section.
- Increases in income tax rates would reduce the amount of your regular payments.
- You have no protection against inflation unless you choose a plan where the payments increase each year.
- If you cancel the plan in the first 30 days and the cost of buying your plan has fallen, you will not get a full refund.

## Questions and answers

### What is the Immediate Life Annuity?

- It's a plan that gives you an income for the rest of your life. You can take out the plan on your own or with someone else.
- You can buy an Immediate Life Annuity if you are at least 55 and not older than 95:
  - where payments are for two lifetimes, both of you must be above 55 but only one of you needs to be below 95
  - where payments are for the lifetime of another person or couple, their respective ages apply.
- Your single contribution must be at least £7,500 (or £100,000 if purchased by trustees of a will or settlement).

### How flexible is it?

- Before you set up your plan, you can choose to have your payments made for:
  - your lifetime
  - yours and another person's lifetime
  - the lifetime of another person or couple.
- You can find details of other choices you can make when setting up your plan in the following sections of this document:
  - 'What payments will I get?'
  - 'What choices will I have about how I get my payments?'
- You can't change or cash in your plan or defer a payment.

### What payments will I get?

- The payments you get will depend on a number of things when you set up your plan, including:
  - your age and sex
  - interest rates at the time
  - the amount you pay in
  - the choices you make about your payments (see below).
- You can choose to take smaller payments at the start which increase each year by between 0.5% and 5%.
- You can choose to take smaller payments that are guaranteed for five or ten years, even if you die during that time. This is called the 'guaranteed period'.
- You can choose to take smaller payments to protect your capital. This means that when you die, if the total payments (before tax) we've paid you are less than your single contribution, we'll pay the difference to your estate.
- If your plan covers two people you can choose for the payments to reduce when the first of you dies or only if the one named dies first. This reduction can be up to 50%.
- You can choose combinations of these options. You can ask for illustrations with different options so that you can see the difference it would make to you.
- While you're alive we won't reduce or stop the payments we make to you based on the options you've chosen.

## What choices will I have about how I get my payments?

- Your payments will be paid directly into your bank or building society account.
- You can choose the frequency that you will receive your payments. This can be monthly, quarterly, half-yearly or yearly.
- You can choose whether the payment is made at the beginning or end of this frequency period.
- This choice will affect the amount of payment you will get.

## What happens to my plan when I die?

- Your plan will end when you die unless:
  - you have chosen a guaranteed period. If you die within this period, we will make the remaining payments to your estate
  - you have chosen a plan that continues for the lifetimes of two people.
- If you choose to protect your capital, we may make an extra payment to your estate if when you die the total payments (before tax) we've paid to you are less than your single contribution.

## What are the charges?

- We use your single contribution to pay our charges for setting up and running your plan. We do this by taking charges into account when we work out the price of your regular payments.
- The illustration shows how much your single contribution will buy.
- No further charges are taken from your regular payments.
- The cost of advice is covered within the pricing of the annuity and will be shown on your illustration.
- If we have to issue a re-quote due to information being incorrect or incomplete then we will charge £40 per re-quote.

## What about tax?

- If you're buying the plan with your own money, HM Revenue & Customs is likely to agree that each of your payments can be split into two parts:
  - a 'capital' part – which is tax-free; and
  - an 'interest' part – which is taxed.
- We'll deduct income tax from the 'interest' part at the savings rate (see illustration) at the time. This means if you:
  - **don't pay income tax**
    - we can pay you without deducting tax
    - to let us do this we'll send you an Income Declaration form for you to complete
  - **pay income tax at the starting rate**
    - you can reclaim the difference between the starting rate and the savings rate from HM Revenue & Customs
    - to let you do this we'll send you a tax certificate
  - **pay income tax at the basic rate**
    - no more tax is payable
  - **pay income tax at the higher rate**
    - we'll not deduct any tax at the higher rate
    - you must pay the difference between the savings rate and the higher rate to HM Revenue & Customs
- The interest part, before tax, is added to your other income for tax purposes. This may mean that you move into a higher-rate tax band.
- If HM Revenue & Customs won't agree to us deducting tax only from the interest part, then we'll deduct basic rate tax from the whole of each of your payments.
- We'll send you a tax certificate at the end of each tax year. You must declare the interest part on your annual tax return.
- Any payments made to your estate may be subject to Inheritance Tax.
- Please note that we've provided only a general tax summary and individual circumstances may differ.
- Your financial adviser can give you more details about your tax position.
- Tax rules can change.

## Can I change my mind?

- You have 30 days to change your mind starting from either the day you receive the contract or when we tell you the contract is concluded. If we don't hear from you within 30 days, your plan will continue. We'll send you a cancellation notice with your contract. It will include the address to which you should send your cancellation notice. Alternatively you can contact us at the address overleaf.
- If you cancel your plan, any single contributions will be refunded.
- If rates increase during the cancellation period and the cost of buying your plan falls, we reserve the right to give back a lower amount than that which you originally paid for the Immediate Life Annuity.

## How to contact us

- Remember, your financial adviser will normally be your first point of contact. They will have provided you with information that contains their contact details.
- If you have any questions at any time, you can phone, e-mail or write to us.



Call us on **0845 300 0009**

**Monday to Friday 8.30 am – 8.00 pm**

**Saturday 8.30am – 1.00pm**

Outside of these hours, you can use the same number and leave a message on our answerphone.

We may monitor calls to improve our service.



E-mail

[annuity@aviva.co.uk](mailto:annuity@aviva.co.uk)



Office address

Aviva

Annuity Contact Centre

PO Box 520

Colegate

Norwich

NR1 3WG

## Other information

### How to complain

- If you ever need to complain, you can contact us at:  
Aviva  
Customer Relations  
PO Box 3182  
Norwich  
NR1 3XE  
Telephone number: 08000 686 800  
Email: [Helpdesk@aviva.co.uk](mailto:Helpdesk@aviva.co.uk)
- If you are not satisfied with our response, you can write to:  
Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London  
E14 9SR  
Telephone number: 0845 080 1800  
Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

This won't affect your legal rights.

### Terms and conditions

- This Key Features document gives a summary of Aviva's Immediate Life Annuity. You should also see the full terms and conditions. You may already have a copy or you can get one from your adviser or you can contact us direct. Alternatively you can obtain a copy from the website.

- The policy document gives the full terms and conditions. If you'd like a copy, please ask your financial adviser or contact us direct.
- We'll write and tell you of any changes that affect your plan.

### Law

- The law and courts of England will decide any legal dispute and your plan will be written in English. We'll always write and speak to you in English.
- We are regulated by the Financial Services Authority (FSA) whose contact details are:  
The Financial Services Authority  
25 The North Colonnade  
Canary Wharf  
London  
E14 5HS

### Potential Conflicts of Interest

- Occasions can arise where Aviva plc group Companies, or their appointed officers, will have some form of interest in business which is being transacted.  
If this happens, or the Aviva Group becomes aware that its interests, or those of its officers, conflict with your interests, we will take all reasonable steps to manage that conflict of interest, in whatever manner is considered appropriate in the circumstance. This will be done in a way which ensures all customers are treated fairly and in accordance with proper standards of business.

### Customer classification

- The FSA has defined three categories of customer. You have been treated as a 'retail client', which means that you will be provided with the highest level of protection provided by the FSA rules and guidance.

### Compensation

- Qualified advisers will recommend that you buy products suitable for your needs. You've legal rights to compensation if, at any time, it's decided that you've bought a plan that wasn't suitable for your needs at that time.
- The Financial Services Compensation Scheme covers your plan. It'll cover you if Aviva becomes insolvent and is unable to meet its obligations under this plan. You'll normally be covered for 100% of the first £2,000 plus 90% of the remainder of the value of your plan.