

# Key features of the Immediate Life Annuity



# Immediate Life Annuity

## Key Features

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.

### Risk factors

- 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 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 the lifetimes of two of you, the younger one's age applies
  - where payments are for the lifetime of another person or couple, their respective ages apply.
- Your single contribution must be at least £7,500.

### 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 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 payments to reduce on either the first death or the death of the named person. 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 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.

## 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.

## 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 can change your mind within 30 days from when you receive the 'Your right to change your mind' document. If you decide that you don't want the plan, we'll give you your money back.
- If the cost of buying your plan has fallen, you'll only get back this lower amount.

## 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@norwich-union.co.uk](mailto:annuity@norwich-union.co.uk)



Office address

Norwich Union

Annuity Contact Centre

PO Box 520

Colegate

Norwich

NR1 3WG

## Other information

### How to complain

- If you ever need to complain, first write to us at the above address. If you're not satisfied with our response, you can complain to:

Investment Division

Financial Ombudsman Service

South Quay Plaza

183 Marsh Wall

London

E14 9SR

Tel: 0845 080 1800

This won't affect your legal rights.

### Terms and conditions

- This Key Features document gives a summary of Norwich Union'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.

### 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 Norwich Union becomes insolvent and is unable to meet its obligations under this plan. You'll normally be covered for at least 90% of the value of your plan at the time.



**NORWICH  
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