

*Purchased Life
Annuity.*

Key Features



Key Features of the Partnership Purchased Life Annuity

The Financial Services Authority is the independent financial services regulator. It requires us, to give you this important information to help you to decide whether our Purchase 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.

It does not include all definitions, exclusions or terms and conditions and it should be read in conjunction with your quotation and/or your policy document. The policy document is available on request.

You should seek financial advice and discuss your plans with anyone who may be affected by your financial decisions. Before you make a purchase, you should read this and all other related documents and clarify any questions that you may have.

We reserve the right to change certain terms and conditions at any time. If such changes affect your annuity, you and your Financial Adviser will be notified in writing and all changes will be fully explained.

Its aims

- To provide you with a regular income for life
- To offer flexible, additional options in providing for your loved ones in the event of your death
- To give you the option of increasing your income amount annually to help ease the effects of inflation

Your commitment

- To make a single, lump sum payment using funds from a private source to purchase your annuity
- To seek appropriate financial advice
- To provide complete and accurate information on your application
- To notify us of any change in your address

Risk factors

- Your circumstances could change after your income payments commence but you won't be able to change the terms of your annuity, even if annuity rates improve
- Inflation will affect the purchasing power of the income payments you receive over time
- You cannot transfer your annuity to another provider after the 30 day cooling off period
- The income you receive is subject to tax under current legislation. The rules governing taxation can change
- There is no return of capital from your annuity regardless of when you die so you may not receive income payments proportionate to your investment
- If you die before your partner and have not selected any of the additional protection options, they will not receive any income payments from your annuity

Eligibility

Our standard eligibility criteria for our retirement annuities are detailed below, however proposals from individuals falling outside of these limits will be considered on a case by case basis, depending on circumstances.

Minimum age (attained)	40 years
Maximum age (attained)	No maximum
Plan term	Unlimited
Minimum purchase price	£5,000
Maximum purchase price	Available on request

Your questions answered

How does a Purchased Life Annuity work?

If you have built up a private pension fund and want to supplement your income in addition to your standard pension, a Purchased Life Annuity enables you to do this. Because of the favourable tax treatment, this type of annuity allows you to maximise your income.

The funds must come from a private source, which can include your Pension Commencement Lump Sum.

How do Partnership's Purchase Life Annuities work?

In return for a single payment, we will pay you a regular income for the rest of your life. This can be paid either monthly, quarterly, half-yearly or annually. The income is guaranteed and does not depend on the performance of any investments.

There will be no return of capital to your estate from your annuity when you die, regardless of when that happens, but there are additional options you can select that allow your beneficiaries to receive an income or a lump sum payment after your death. These are explained in greater detail overleaf.

For all of our annuities, Partnership will confirm your status from time to time and we may ask you to provide proof of identity, title and/or existence.

If you are in any doubt about the suitability of this annuity, you should seek financial advice.

What additional options can I choose and how do they work?

Escalating income to mitigate inflation

In order to help ease the effects of inflation you can, when you buy your annuity, choose to increase - or 'escalate' the income you receive over time. Income can be escalated by a rate of between 1% and 8% per annum in 1% increments. If selected, your level of income will increase on your policy's anniversary date. Escalating your benefits will make your annuity more expensive and result in a lower income at the start of the plan.

Guaranteed Period

Selecting this option guarantees that the income will be paid regularly for between one and ten years from the commencement of your policy. This means that, should you die within this time, your beneficiaries will continue to receive a regular income at the same rate as yours. This will be subject to income tax at their personal rate. The balance of payments may, if your beneficiaries prefer, be taken as a discounted lump sum if you have guaranteed the payments for 5 years.

The longer the Guaranteed Period selected, the lower the income amount will be.

Dependant's Benefit

You can choose for up to 100% of your annuity income to be paid to your dependant in the event of your death, for the rest of their lives. Dependency will be assessed at inception of the policy.

Your dependant will have to complete the same application forms as you and will also have to consent to Partnership being able to contact their GP. Eligibility for the Dependant's Benefit will depend on both you and your dependant's health at the time you apply.

How much income will I receive from my investment?

The income you will receive is based on a number of factors, chiefly the size of your investment and your age, gender and state of health at the time you apply.

If you select any additional options such as escalation or any of the protection options, your income payments will be lower.

The frequency of payments and whether you choose to receive them in advance or in arrears also affects the amount you will receive.

Your income payments will commence when you have fully completed all necessary applications forms, we have issued acceptance terms and have received your premium.

What payment options can I choose?

You can choose the frequency of your payments and whether to receive them in advance or in arrears. Choose from monthly, quarterly, half-yearly or annually. The frequency of payments will affect the amount of income you receive - the less frequent, the higher your income will be.

Payments in advance will be lower than those in arrears. If you choose to receive your income in arrears and die between payments, there will be no payment made for the period between the last payment you received and your death.

Payments will be made directly into your bank or building society account.

What are the charges?

All charges are factored into your pension plan at the start and we will not make any additional charges.

What are the tax implications?

All retirement annuities have a tax liability, but the amount you must pay depends on the level of income you receive and the type of annuity you have.

A Purchased Life Annuity comprises two elements - a capital element and an interest element. You will have to pay Income Tax at 20% but only on the interest (because you have already paid Income Tax on the capital). Your quotation will show details of the interest and capital elements.

If you are a non-taxpayer or on a marginal tax rate, you should contact:

HMRC
Chapel Wharf Area
Trinity Bridge House
2 Dearman's Place
Salford, M3 5AB

They will send your new tax code to us.

Taxation is a complex matter and differs from person to person, so you should discuss your personal tax position with your Financial Adviser, who should be able to help you calculate your liability.

The basis of taxation assumes that the annuities are approved by HMRC as a Purchased Life Annuity.

The rules governing taxation are subject to review and can change. All tax information in this document is correct as at September 2007.

What happens when I die?

None of your original investment will be returned when you die, regardless of when that happens.

If you have selected a Guaranteed Period and it is still in force, or if you have chosen the Dependant's Benefit, your estate must contact us immediately either by telephone or in writing to ensure that the correct ongoing payments are made.

In all cases, we will require a copy of the original death certificate.

Contact us by telephone: 08701 971 446

Or write to us at: Partnership
Sutherland House
Russell Way
Crawley
West Sussex
RH10 0UH

What do I do if my personal circumstances change?

If there is a change in your personal circumstances, for example a change of address, bank account or personal tax position, please contact your Financial Adviser or Partnership.

What happens if I want to cancel my plan?

You can change your mind within 30 days of either being advised that the policy is finalised or receiving the policy document, whichever is later. If we do not receive your cancellation notice within this 30 day period we will automatically continue your policy.

If you do decide to cancel within this 30 day period, we will refund your money in full.

A cancellation notice will be enclosed with your policy documents providing full details about the cancellation procedure. Alternatively, you can contact Partnership's head office, details of which are on the back page.

How do I apply?

You should contact your Financial Adviser in the first instance, who will help you choose the most suitable plan for you and help fill out the paperwork.

We may contact your doctor for a General Practitioner's Report (GPR) to verify the information provided on your application. We will not always apply for a GPR however, so it is essential that you answer the questions on the application as fully and accurately as possible. If at any time there is found to be any mis- or non-disclosure of your health conditions, Partnership reserves the right to amend the terms of the policy.

You will not be asked to undergo a medical examination.

How do I know if I have been accepted?

Unless otherwise stated, your personalised illustration assumes that we accept your application.

How much will the advice cost?

Partnership doesn't provide advice so you should consult your own Financial Adviser. Your Financial Adviser is entitled to receive commission from Partnership, which is taken from our charges. The amount will depend on the type of annuity you choose and the amount of your investment. Your adviser will give you details of the amount of commission they will receive as a result of any annuity you purchase.

Other important information

Law

The law and courts of England and Wales will apply in legal disputes and your contract will be written in English. We'll always write and speak to you in English.

Money Laundering Regulations

To comply with Money Laundering Regulations you must provide proof of identity. Your Financial Adviser and Partnership may therefore ask you to supply documents as proof of your identity and address. Examples can be a passport, birth or marriage certificate, a recent utility bill, Council Tax bill etc.

Data Protection

If you are providing us with information on behalf of another person, by doing so you confirm that they have given you permission to provide us with the information and that you have told them who we are and what we will use their data for.

With limited exceptions, you have the right to access and, if necessary rectify, information held about you. We may make a small charge for this. We will take all reasonable steps to confirm your identity before providing you with details of any personal information we may hold about you.

Compensation

Your Financial Adviser has a duty to recommend only products that are suitable for your needs and financial situation. You have a legal right to compensation if it is proved that at any time their recommendations were unsuitable when they were given and under the circumstances which they were made.

You may be entitled to compensation if we cannot meet our obligations due to insolvency. The Financial Services Compensation Scheme may arrange to transfer your policy to another insurer, provide a new policy or, if this is not possible, provide compensation. Compensation depends on your policy and the circumstances of the claim. For example, most insurance contracts are covered for 100% of the first £2,000 and 90% of the remainder of the claim.

Further information about compensation arrangements is available from The Financial Services Compensation Scheme, who can be contacted at:

The Financial Services Compensation Scheme

7th Floor Lloyds Chambers
Portoken Street
London E1 8BN

Telephone: 020 7892 7300
Web: www.fscs.org.uk
Email: enquiries@fscs.org.uk

Queries and complaints

If you would like further information, or have any queries or complaints, you should first contact your Financial Adviser. If you require further assistance or want to make a complaint about any aspect of our service please contact The Chief Executive at Partnership, Sackville House, 143-149 Fenchurch Street, London EC3M 6BN.

If you are not satisfied with the way a complaint is handled, you can contact:

Financial Ombudsman Service

South Quay Plaza
183 Marsh Wall
London
E14 9SR

Telephone: 0845 080 1800

Email: enquiries@financial-ombudsman.org.uk

Website: www.financial-ombudsman.org.uk

Making a complaint does not affect your right to take legal action.

Full written details are available on request.

Further information

If you have any questions at any time, we would recommend that you discuss them with your Financial Adviser as Partnership does not give advice to the general public. Your Financial Adviser's details can be found on your personalised illustration. If, however, you need to discuss a specific issue we will be pleased to try to help you, or direct you to someone who can. We may record and monitor calls to help us improve our service.

For more information about Partnership speak to your Financial Adviser or visit our website:

www.partnership.co.uk

You can contact us by phone, fax, email or in writing using the details on the back page of this brochure.

THESE KEY FEATURES SHOULD BE READ IN CONJUNCTION WITH YOUR ILLUSTRATION.

All details are correct at the time of going to press (September 2007).

Partnership
Sackville House, 143-149 Fenchurch Street
London EC3M 6BN

General Enquiries 0845 108 7240

Email info@partnership.co.uk

www.partnership.co.uk

**All of our literature is available in
Braille, large type and audio tape.**

Partnership is a trading style of The Partnership Group of Companies, which includes: Partnership Life Assurance Company Limited (registered in England and Wales No. 05465261) and Partnership Home Loans Limited (registered in England and Wales No. 05108846).

Both companies are authorised and regulated by the Financial Services Authority. The registered office for both companies is Sackville House, 143-149 Fenchurch Street, London EC3M 6BN.

Partnership Life Assurance Company Limited is a limited company to which the insurance business of The Pensions Annuity Friendly Society Limited (PAFS) has been transferred by statute.