

*Key features of the*

# **Purchased Life Annuity**

**from Standard Life**



Before you buy a Purchased Life Annuity, we want you to be sure that you know what the decision will mean for you. What is the product for? How does it work and what are the risks?

This Key Features Document gives you the main points about the contract you are buying. We've enclosed a quotation showing the income you may get in the future. Please read it carefully and keep it with your other Purchased Life Annuity documents.

### Its aims

#### How can a Purchased Life Annuity (PLA) help you?

A PLA can provide a regular income for life or for a selected period, based on one (single) or two lives (joint life).

### Your commitment

#### What do you need to do?

You need to buy an income from us to last the rest of your life or for a selected period.

### Risk factors

#### What risks are involved?

Once you've bought your Purchased Life Annuity from us, you can't transfer the value to another company, alter it or cash it in.

Your income will be based on the options you choose and you can't change these at a later date.

The purchasing power of your income could be reduced by inflation.

Your income will stop if you die, unless you've chosen for it to continue. (Please see 'What happens to my income if I die?')

If you cancel your Purchased Life Annuity during the 30 day period after you receive your policy schedule you may get back less than the initial investment.

### Any questions?

#### What is a Purchased Life Annuity?

It's a contract that gives you an income for the rest of your life or for a selected period of between 2 and 20 years, bought with a lump sum single payment.

The minimum purchase price is £5,000 and the maximum purchase price is £500,000.

You can buy this type of income from any Purchased Life Annuity provider.

#### How flexible is it?

You have a number of options you can choose from before we set up your Purchased Life Annuity:

- to have your income increase automatically, up to a maximum of 8.5% each year;
- to have your income paid for a fixed period so that if you die within that period the income will continue to be paid until the end of the period;
- for your annuity to be set up as single life, joint life first death, or joint life last survivor.

Once you've started to take your income, you can't cash in your Purchased Life Annuity, change it to another provider or temporarily stop receiving payments.

## Purchased Life Annuity

### What will my income be?

The value of your income will depend on a number of things, for example:

- the size of your lump sum single payment
- your age when you buy it
- your sex
- the income options you choose
- interest rates when you buy your income.

If you choose a fixed period of between 2 and 20 years you'll receive an income until the end of the selected period. The income will stop at the end of the selected period or when you die, if earlier.

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

Your income will be paid directly into your bank or building society account.

We can pay your income:

- every month;
- every three months;
- every six months, or
- once a year.

Your income can be paid in advance or arrears, for example:

- if your income is paid once a year in advance from 1 January 2008 then your first income payment will be made on 1 January 2008 and covers the period 1 January 2008 to 31 December 2008, or
- if your income is paid once a year in arrears from 1 January 2008 then your first income payment will be made on 1 January 2009 and covers the period 1 January 2008 to 31 December 2008.

### What happens to my income if I die?

We'll stop paying your income when you die unless you choose for it to continue, for example:

- if you choose a joint life last survivor income, payments will continue until both people have died;

- If you choose to have your income 'capital protected', and you haven't received an amount in income (before tax) equal to the purchase price, we'll pay the balance of the purchase price;
- usually, the last payment would be the one due immediately before your death. However, if you choose to have your income paid 'in arrears with proportion' a final payment will be made to cover the period between the last normal payment date and the date of your death;
- if you choose for the income to be guaranteed for a fixed period, for example 10 years. This means that if you die within your chosen guarantee period, we'll pay any remaining payments up to the end of this period.

Choosing a guarantee period does not guarantee the amount of income that will be paid – it only confirms a payment will be made until the end of the guarantee period.

If you've chosen to receive your income for a fixed period of between 2 and 20 years, you can't select a guarantee period.

### What are the charges?

All our charges and expenses are deducted before your level of income is decided. No further charges or expenses will be taken from your income.

### What about tax?

Your annuity will be treated by HM Revenue & Customs as being made up of two parts, a 'capital' part and an 'interest' part. The 'capital' part is regarded as a return of your capital and is not taxed.

You should complete the HM Revenue & Customs form PLA1 when buying your Purchased Life Annuity to apply for this exemption. The 'interest' part is regarded as unearned income and may be taxable. We'll normally deduct tax from the 'interest' part at the basic rate for savings.

Under certain circumstances, it's possible HM Revenue & Customs may rule that there's no capital part after receiving form PLA1. If there's no 'capital' part we'd deduct tax at the basic rate of income tax.

Non-taxpayers or starting rate taxpayers may reclaim any overpaid tax from HM Revenue & Customs. Higher rate taxpayers need to declare any additional liability to HM Revenue & Customs. Non-taxpayers may receive the income without tax being deducted by completing HM Revenue & Customs form R89, or if buying a joint life annuity, form R86.

Forms PLA1, R89 and R86 will be issued with your quotation if required.

If payments continue after you die they may be subject to Inheritance Tax. Please see your financial adviser for further details.

Tax and legislation may change. The information we have given here is based on our understanding of law and HM Revenue & Customs practice when we published this document.

### Can I change my mind?

You have a legal right to cancel your contract if you change your mind. When we accept your application we'll send you a Cancellation Notice that confirms the actual steps that must be taken in order to cancel the contract. The Cancellation Notice confirms that you've a 30 day period to consider if you want to change your mind. This 30 day period starts from the date you receive the Policy Provisions and Policy Schedule (Terms and Conditions of the policy). During this period, if you decide you want to cancel, you should send your cancellation instruction to the address provided in the Cancellation Notice. Please make sure that you include your plan number in any correspondence with us.

Any payments made must be returned within 30 days of us receiving the cancellation instruction, before we can cancel the plan. If you fail to return all the monies to us within 30 days, you will lose the right to cancel.

If you cancel during the 30 day period, you may get back less than you paid in. This is because we may make a deduction to reflect any market loss we have experienced during this period.

At the end of the 30 day period you will be bound by the terms and conditions of the plan and any money received by Standard Life will not be refundable.

## Getting in touch

If you've any questions then you can speak to your financial adviser.

But, if for any reason, you need to contact us directly, here's how you can reach us.

### Phone us

0845 60 60 007

We may record or monitor calls to improve our services. Call charges may vary.

### E-mail us

e-mail: [service\\_annuity@standardlife.com](mailto:service_annuity@standardlife.com)

We can't guarantee that we'll receive your e-mail or that it won't have been tampered with or intercepted along the way. You may prefer to contact us by phone or in writing.

### Write to us at

Standard Life Assurance Limited  
Standard Life House  
30 Lothian Road  
Edinburgh  
United Kingdom  
EH1 2DH

### Have a complaint?

We've got a leaflet that explains how we handle complaints. If you'd like a copy, just ask.

Of course, we hope you won't ever need to complain. But, if you do, please write to us at the address above.

If you're not satisfied with our response, you may be able to complain to:

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

Telephone: 0845 080 1800  
Switchboard: 020 7964 1000  
Fax: 020 7964 1001

Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

e-mail: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

## **Purchased Life Annuity**

Complaining to the Ombudsman won't affect your legal rights. When you get advice from a financial adviser, they should recommend a product that's right for you. If at any time, it's shown that you've bought a recommended product that wasn't suitable for your needs at the time, you've a legal right to redress. Any redress will be decided by the Financial Ombudsman Service.

### **Terms and conditions**

This document gives a summary of the Standard Life Purchased Life Annuity. It doesn't include all the definitions, exclusions, terms and conditions. You can find these in the Policy Provisions booklet. If you'd like a copy of this, please ask your financial adviser or contact us direct.

We have the right to change some of the terms and conditions. We'll write and explain if this happens.

### **Law**

In legal disputes, the law that applies is usually the law of the country in which you are resident when you take out the annuity.

### **Language**

The English language will be used in all documents and future correspondence.

### **Compensation**

The Financial Services Compensation Scheme (FSCS) has been set up to deal with compensation if firms are unable, or likely to be unable, to meet claims against them. To find out more call us on 0845 60 60 007 (call charges may vary).

The amount of compensation available from the FSCS depends on the type of business and the circumstances of the claim.

Pension business is currently covered for 100% of the first £2000 and 90% of the remainder.

You can find out more from the FSCS, their website can be found at [www.fscs.org.uk](http://www.fscs.org.uk)

### **About Standard Life**

Standard Life Assurance Limited's product range includes life assurance, pensions and investments.

Standard Life Assurance Limited is on the Financial Services Authority Register. The registration number is 439567.

**Pensions**  
**Mortgage**  
**Savings**  
**Investments**  
**Healthcare**  
**Insurance**

## **Speak soon.**

If you'd like further information on this or any of our other products, or if there's anything more about Standard Life we can help you with, just call us on this number, or visit our website. Call charges may vary and your call may be recorded or monitored to improve our service.

**0845 60 60 007**

**[www.standardlife.co.uk](http://www.standardlife.co.uk)**

Products provided by subsidiaries of Standard Life plc or other specified providers.