



**PENSION
ANNUITY**

Terms & Conditions



PAGE CONTENTS

3	Explanation of terms
4	Lump sum payment at retirement Annuity payments to Annuitant Annuity payment frequency Annuity payment increases Guaranteed Payments Payment in event of Annuitant's death
5	Payment in event of Dependant's death Reduction of benefits Variation of provisions Place of payment and authorised recipients Policy ownership and effect of overriding rules Audit checks
6	Policy changes Source of Policy payments Data Protection Legal jurisdiction Communications Endorsements

This document is available in Braille, large print or audio tape. Please call 0800 783 7533 for further details. For Textphone first dial 18001.

TERMS AND CONDITIONS

1. Explanation of terms

Annual Annuity

The initial amount of annual annuity payable under each component shown in the Schedule or, where the context so admits, an increased amount determined in accordance with Condition 5 or an amount determined in accordance with Condition 7, and subject to applicable tax charges.

Annuitant

The person shown as such in the Schedule on whose life continuance of annuity payments depends, subject to Conditions 6 and 7.

Commencement Date

The date shown as such in the Schedule on which the Policy comes into force.

Dependant

The person referred to in the Schedule to whom payments of the Dependant's Annuity will be made should such person survive the Annuitant provided they satisfy the definition of a dependant in Paragraph 15, Schedule 28 of the Finance Act 2004.

Dependant's Annuity

The level of Annual Annuity as shown in the Schedule, payment of which is explained in Condition 7.

LV=

LV= means Liverpool Victoria Friendly Society Limited.

LV Personal Pension Scheme

A personal pension scheme registered with HM Revenue & Customs in accordance with the provisions of Chapter 2 Part 4 of the Finance Act 2004.

Guaranteed Minimum Pension

The pension arising from the Annuitant being contracted-out of the State Earnings-Related Pension Scheme under an occupational pension scheme before 6 April 1997.

Guaranteed Payment Period

The period described in the Schedule, starting on the Commencement Date, for which the Annual Annuity payments are guaranteed.

Head Office

The registered head office for the Liverpool Victoria group of companies is County Gates, Bournemouth, BH1 2NF. However your policy is administered at our Hitchin office: LV= Retirement Solutions, Keynes House Tilehouse Street, Hitchin, Herts, SG5 2DX.

HM Revenue & Customs

The Board of HM Revenue & Customs.

Lifetime Allowance

The total amount of pension benefits the Annuitant can accrue that will benefit from tax privileges.

Lifetime Allowance Excess

That part of the transfer in excess of the Annuitant's available Lifetime Allowance as shown in the Schedule.

Non-Protected Rights Annuity

Any amount shown as such in the Schedule, being that part of the Annual Annuity which does not derive from Guaranteed Minimum Pension, Post 97 Contracted Out Salary Related Benefits or Protected Rights.

Open Market Option

The choice which the Annuitant exercised, by virtue of membership of a pension scheme or arrangement, to have some or all of his/her pension rights arising thereunder paid from this Policy.

Policy

This document, including the Schedule, and any endorsements attached or appended.

Policy Owner

The person who owns the Policy, as explained in Condition 12.

Post 97 Contracted Out Salary Related Annuity

Any amount shown as such in the Schedule, being that part of the Annual Annuity which derives from Post 97 Contracted Out Salary Related Benefits.

Post 97 Contracted Out Salary Related Benefits

Rights derived from the Annuitant being contracted out of the State Earnings-Related Pension Scheme or State Second Pension under an occupational pension scheme after 5 April 1997 on a salary related basis.

Protected Rights

Rights derived from the Annuitant being contracted-out of the State Earnings-Related Pension Scheme or State Second Pension scheme under a previous pension scheme on a money purchase basis.

Protected Rights Annuity

Any amount shown as such in the Schedule, being that part of the Annual Annuity which derives from Guaranteed Minimum Pension, Post 97 Contracted Out Salary Related Benefits or Protected Rights.

Purchase Price

The amount described in the Schedule either as 'Total Purchase Price' or 'Total Transfer(s)' as appropriate and which secures the benefits described in this Policy.

Purchaser

The party who pays or directs payment of the Purchase Price to LV=, as explained in Condition 12.

Retail Prices Index

The index produced by the Office for National Statistics and prescribed by regulations for the purposes of this Policy, or such other index as HM Revenue & Customs may prescribe to be used.

Schedule

The schedule to this Policy.

Value Protection

The Value Protection benefit (if any) shown in the Policy Schedule and referred to in Condition 7e.

2. Lump sum payment at retirementa) **Tax Free Cash**

At the Commencement Date, a tax-free cash sum will be paid to the Annuitant if the Schedule shows such an amount.

b) **Lifetime Allowance Excess Lump Sum**

At the Commencement Date, a lump sum equal to the Lifetime Allowance Excess will be paid to the Annuitant if the Schedule shows such an amount, subject to applicable tax charges.

3. Annuity payments to Annuitant

The Annual Annuity will be payable from the Commencement Date in the manner shown in the Schedule for the lifetime of the Annuitant.

If the Annual Annuity is stated in the Schedule to include a Guaranteed Minimum Period, Condition 6 will apply.

4. Annuity payment frequency

If the Annual Annuity is stated in the Schedule to be payable in half-yearly, quarterly or monthly instalments, the amount of each instalment shall be one-half, one-quarter or one-twelfth respectively of the Annual Annuity.

5. Annuity payment increases

The Annual Annuity and Dependant's Annuity will increase on each anniversary of the Commencement Date for which they are in payment by the percentage increase rate (if any) shown in the Schedule.

If the rate of increase shown in the Schedule is dependent on the Retail Prices Index, it will be calculated using the change in the index over the first 12 months of the 15 month period that expires on the day immediately preceding the increase date. This may result in a reduction in annuity, if the Retail Price Index has fallen.

6. Guaranteed payments

If the guarantee is stated in the Schedule to be paid as a lump sum then, if the Annuitant dies before age 75, LV= will pay the aggregate instalments due for the remainder of the

Guaranteed Payment Period on the death of the Annuitant, subject to applicable tax charges.

When making payment we shall take into account any written nomination made by the Annuitant during their lifetime.

Otherwise, if the Annuitant dies during the Guaranteed Payment Period, the Annual Annuity will continue to be paid to the legal personal representatives of the Annuitant for the remainder of such period.

7. Payment in event of Annuitant's death

The last instalment of the Annual Annuity to the Annuitant will be that due on the date coincident with or immediately preceding the date of the Annuitant's death. Any further payment depends on whichever one of the following situations apply:

a) **Annuitant dies within Guaranteed Payment Period. No provision for Dependant's Annuity.**

- Condition 6 will apply.

b) **Annuitant dies outside Guaranteed Payment Period or no Guaranteed Payment Period. No provision for Dependant's Annuity.**

- No further regular payments will be made. The Annual Annuity does not accrue from day-to-day and no amount will be paid for the period from the date of the last instalment paid to the date of death or thereafter.

c) **Annuitant dies within Guaranteed Payment Period. Provision for Dependant's Annuity.**

- Condition 6 will apply. In addition, one or other of the following two options will also apply.
- If the Schedule shows that a Dependant's Annuity is payable at the expiry of the Guaranteed Payment Period, the first instalment of such an annuity will be made on the first instalment date next following expiry of the Guaranteed Payment Period, provided the Dependant is alive at that date.

- If the Schedule shows that a Dependant's Annuity is payable at the time of the death of the Annuitant, the first instalment of such an annuity will be that made on the first instalment date following the date of the Annuitant's death, provided the Dependant is alive at that date.

d) **Annuitant dies outside Guaranteed Payment Period or no Guaranteed Payment Period. Provision for Dependant's Annuity.**

- The Annual Annuity does not accrue from day-to-day and no amount will be paid for the period from the date of the last instalment paid to the date of death of the Annuitant. However, the first instalment of Dependant's Annuity will be made on the first instalment date following the date of the Annuitant's death, provided the Dependant is alive at that date.

- e) **Annuitant dies having selected Value Protection.**
- The Value Protection benefit set out in the schedule will be payable if the Annuitant dies before age 75.
 - If a Dependant's Annuity becomes payable on the death of the Annuitant, the Value Protection benefit will be paid on the death of the Dependant.
 - If a Dependant's Annuity does not become payable, the Value Protection benefit will be paid on the death of the Annuitant. The amount payable will be the protected percentage of the relevant purchase price as stated in the Schedule, less the total amount of annuity paid under this Policy and applicable tax charges.
 - When paying the Value Protection benefit, LV= shall take into account any written nomination made by the Annuitant during their lifetime.

8. Payment in event of Dependant's death (after the death of the Annuitant)

The last instalment of Dependant's Annuity will be that due on the date coincident with or immediately preceding the date of the Dependant's death. No further payment will be made except that Condition 6 may continue to apply.

The Dependant's Annuity does not accrue from day-to-day, and no amount will be paid for the period from the date of the last instalment paid to the date of death.

9. Reduction of benefits

LV= will be entitled to make such deductions from any benefits receivable under this Policy on account of any tax, duty, levy or other imposition which may from time to time be imposed by any legislation, order, regulation or otherwise upon LV=, the Purchaser, the Annuitant, the Dependant or the relevant executors or administrators, and for which LV= may be liable to account, in respect of any of the payments falling to be made under this Policy.

10. Variation of provisions

Should there be any change in the law or HM Revenue & Customs practice affecting this Policy or should there be a change in circumstances which in the reasonable opinion of LV= renders it impractical or impossible to give full effect to all of the provisions of this Policy, this Policy and the benefits conferred thereby may be varied by us in such manner as LV= deems appropriate to enable this Policy to take effect as nearly as possible.

11. Place of payment and authorised recipients

All payments made by LV= under this Policy shall be made at its Hitchin Office to the Annuitant or Purchaser or, if applicable, to the Dependant or to the relevant executors or administrators, after receipt of such documents as we may reasonably require.

12. Policy ownership and effect of overriding rules

The benefits under this Policy are payable in accordance with the terms and conditions of this Policy. However, who owns the Policy and the form in which the benefits reach those entitled to receive them will be as follows:

a) Purchase Price shown in the Schedule as 'Total Purchase Price'

The Purchase Price will have been accepted by us as the Open Market Option payable from the scheme or arrangement of which the Annuitant is/was a member.

- If the Schedule shows Purchaser and Policy Owner as trustees or administrator of a named scheme, then the payment of benefits will be made in accordance with the provisions and rules of such named scheme.
- If the Schedule shows Purchaser as trustees or administrator of a named scheme and Policy Owner as Annuitant, then the payment of benefits will be made in accordance with the terms and conditions of this Policy because the trustees or administrators of the named scheme have set up the Policy with the Annuitant as Policy Owner.

b) Purchase Price shown in the Schedule as 'Total Transfer(s)'

The Purchase Price will have been accepted by us as the transfer payment or payments payable from the scheme or arrangement of which the Annuitant was a member to the LV Personal Pension Scheme.

If the Schedule shows the Annuitant as the Purchaser and Policy Owner then the payment of benefits will be made in accordance with the provisions and rules of the LV Personal Pension Scheme.

13. Audit checks

a) Payment to correct party

From time to time, we will make checks to ensure that payment under this Policy is made to the correct party. In particular, proof satisfactory to LV= will be sought of:

- The continued existence of the Annuitant or, if applicable, the Dependant at the due date of a payment, and
- If relevant, the title of the claimant(s) at the death of the Annuitant or the Dependant.

b) Verification of medical and lifestyle information

Within 6 months of the Commencement Date, LV= may seek confirmation of the medical and lifestyle information supplied by the Annuitant and Dependant, upon which the Annual Annuity and Dependant's Annuity are based.

If the doctor is unable to support the medical and lifestyle information supplied then, unless further medical evidence is provided to our reasonable satisfaction, the Annual Annuity and the Dependant's Annuity will be reduced to an amount based on our rate for standard lives at the Commencement Date and any payments previously made in excess of such amount will be recovered by LV= from the Annual Annuity or the Dependant's Annuity as appropriate. The annuitant will be notified of any reduction in income within 6 months of the date the policy was issued.


14. Policy changes

No change in this Policy shall be valid unless it is endorsed hereon or attached hereto and signed by an authorised official of LV=.

15. Source of Policy payments

All monies becoming due under this Policy shall be paid exclusively out of the funds of LV= existing at the time of payment and no director or other person, whether signing or authorising this Policy or not, shall be personally liable for any payment or other demands under this Policy.

16. Data Protection

 Your information will be held by the Liverpool Victoria group of companies and added to our customer databases. It may be used to keep your records up to date, for business analysis and market research purposes. We will not include you in direct marketing campaigns in relation to LV= business conducted through a financial intermediary. We may pass your details to other carefully selected organisations but only for the purposes mentioned above.

Subject to payment of a fee, you can ask for a copy of the personal information we hold about you by writing to LV= Retirement Solutions, Keynes House, Tilehouse Street, Hitchin, Herts, SG5 2DX For details of the Liverpool Victoria group of companies please refer to www.LV.com

17. Legal jurisdiction

The law of England and Wales will apply. All communications will be in the English Language.

18. Communications

All requests and notifications concerning this Policy are to be given in writing and addressed to:

LV= Retirement Solutions
Keynes House
Tilehouse Street
Hitchin
Herts SG5 2DX

quoting the Policy Number shown on the Schedule.

19. Endorsements





0442_ANN_1207
702412 11/07

LV= is a trade mark of Liverpool Victoria Friendly Society Limited and a trading style of the Liverpool Victoria group of companies. Liverpool Victoria Friendly Society Limited is a member of the ABI, AMI, AFS and ILAG. Authorised and regulated by the Financial Services Authority and entered on the Financial Services Authority Register No. 110035. NM Pensions Trustees Limited, (registered in England No. 4299742), act as Trustees and Scheme Administrators. Authorised and regulated by the Financial Services Authority and entered on the Financial Services Authority Register No. 463402. Registered address for all companies: County Gates, Bournemouth BH1 2NF Tel: 01202 292333 Visit our website: www.LV.com. Calls may be recorded for training and monitoring purposes.