

# With Profits Pension Annuity

## Terms and Conditions



**NORWICH  
UNION**

an AVIVA company

# The general rules applying to the policy

## The policy's general rules

This policy satisfies the conditions set out in the Finance Act 2004 as amended from time to time.

This policy provides a lifetime annuity as set out in paragraph 3 of Schedule 28 to the Finance Act 2004.

No person shall be entitled to receive or benefit from an unauthorised payment as defined in Part 4 of the Finance Act 2004. If an unauthorised payment is made then you will indemnify us for any scheme sanction charge for which we may be liable in respect of it under section 239 of the Finance Act 2004 (as amended from time to time). This indemnity shall not apply where the unauthorised payment occurred because of an error or wilful default on our part. This paragraph shall override anything to the contrary in the rest of the policy terms.

If there is any material change in:

- the nature of our business or investment activities; or
- the way we administer this policy where we have introduced new systems, methods of operation, services or facilities; or
- any applicable laws, rules or regulations, or ruling by a Court, Ombudsman, Regulator or similar body

that significantly alters the basis on which this policy was entered into by us, we can make changes to this policy or substitute a different policy providing broadly comparable benefits.

If we do this, we will give you at least 30 days' advance notice of the change, or longer if it is reasonable to do so. We will also explain the reason for the change and make sure you do not suffer any overall loss of benefits.

## The information you gave

We have relied on information given to us on or in connection with your application.

All this information must have been correct and complete on the contract date. If any information given is incorrect or incomplete, we may alter the terms of this policy or it may become void from the contract date.

If at any time we need to ask for additional information this must be correct and complete at that time. If this is not, we may alter the terms of this policy.

## Dealing with this policy

We may need to see certain documents, such as this policy booklet or proof of dates, when we are dealing with your policy. We will tell you what we need at the time, but we will not pay any charges for being provided with proof.

## Additional Charges

We may charge for providing services not normally involved in running this plan. For example, we will make a charge if we need to send you a new policy document. If we have to make a charge we will tell you in advance how much it will be and how to pay it.

## Transfer and encashment

The pension payable under this policy cannot be cashed in, transferred to another provider, commuted, or assigned in any way.

## The law that applies

This policy is issued in England and is covered by English law.

# Investment of your money

## **The With-Profits Fund and bonus**

The money used to buy the pension annuity will be invested in the Norwich Union Life and Pensions Limited With-Profits Fund.

Your pension annuity may change on each plan anniversary when bonuses may be applied to your policy.

We can change our bonus rates at any time, but they will not apply until one month after the declaration. They will be reviewed at least once a year.

The bonus rates we declare will reflect the actual investment, mortality and expense experience of our with-profits annuity business. Any surplus will be distributed to policyholders and shareholders.

Our current bonus system includes the following:

### **Regular bonus**

At each plan anniversary the regular bonus rate applicable at that time will be used to determine the level of your basic pension annuity after allowing for your anticipated bonus rate.

Your basic pension annuity in any plan year is your total pension annuity less any additional bonus.

### **Additional bonus**

An additional bonus may be added to your basic pension annuity at the plan anniversary to produce your total pension annuity for the following plan year

Please refer to the section on 'Pension annuity changes' for details of how bonuses may be applied to your policy.

## **Currency and place of payment**

All payments made to this policy will be in the United Kingdom the currency of the United Kingdom.

## **How we will make payments**

We will make payments by direct credit or any other method we agree. No payments will be made in cash.

Our methods of payment may change in the future. We will give you three months prior notice if a change is to be made.

## **Taxation**

Pensions under this policy are subject to tax under relevant legislation.

# Benefits from this policy

## Pension annuity changes

Your pension annuity may change each year depending on the anticipated bonus rate, and the rates of Regular bonus and Additional bonus applicable at the plan anniversary.

## How we calculate the pension annuity changes

The amount of your pension annuity at each plan anniversary will be worked out as follows:

- a) Calculate the basic yearly pension annuity as:

$$A = B \times \frac{(1 + C\%)}{(1 + D\%)}$$

Where:

A is the basic pension annuity

B is the previous year's basic pension annuity, i.e. excluding any Additional bonus

C is the rate of Regular bonus applicable for the plan year

D is the current anticipated bonus rate.

- b) The actual yearly pension annuity is now calculated as:

$$E = A \times (1 + F\%)$$

Where:

E is the actual pension annuity

F is the rate of Additional bonus.

Please refer to the Investment of your money section for further details of the Regular bonus and Additional bonus.

## Changing your anticipated bonus rate

You may change the anticipated bonus rate after the first plan anniversary. We may ask for medical evidence before allowing the anticipated bonus rate to change. The change will be made from a payment date we agree to. The first two changes are free. We may make a charge for any further changes you make.

## Conversion option

You may choose to fix the future pension annuity payments after the first plan anniversary. We will recalculate your pension annuity so that future payments are at a guaranteed amount. The basis of the option will be determined by the Actuary.

If you choose to fix the payments you cannot change them back later.

The Actuary means the person for the time being holding the office of Actuary to Norwich Union in accordance with regulations made under the Financial Services and Markets Act 2000.



**NORWICH  
UNION**

an AVIVA company

Norwich Union Life & Pensions Limited. Registered in England No 3253947 2 Rougier Street York YO90 1UU.  
Represents only the Norwich Union Marketing Group, members of which are authorised and regulated by the Financial Services Authority.  
Member of the Association of British Insurers.  
[www.norwichunion.com](http://www.norwichunion.com)