

Key Features of the **Living Time 75 Plan**

This document tells you about the Living Time 75 Plan underwritten by AIG Life.
It should be kept for future reference and read with your quotation.
If you have any questions, please speak with your financial adviser.
Alternatively, you can find contact details for AIG Life on page 7.

Its Aims

- To enable you to defer buying a lifetime annuity until age 75.
- To provide you with a guaranteed maturity amount when you reach age 75.
- To pay you a regular income until you reach age 75.
- To give you the option to provide your named spouse / civil partner with an agreed income and a guaranteed maturity amount if you die before maturity.

Your Commitment

- You buy your Living Time 75 Plan with a transfer payment from your existing pension fund(s).
- You may choose the Living Time 75 Plan benefits you want, within the available range. Once purchased, you will not be able to change your benefits until your Plan matures on the day before your 75th birthday.
- If you are entitled to take a 'pension commencement lump sum' (currently tax free) from your pension fund(s) and wish to do so, you must instruct your financial adviser to ensure that the amount required is requested with your Living Time quotation. It will not be possible for AIG Life to agree to pay you a 'pension commencement lump sum' from your pension fund(s) after it has been used to set up a Living Time 75 Plan.

Risk Factors

- The maturity amount of the Plan is fixed and will not increase.
- The level of income that the maturity amount can purchase at age 75 is not fixed or guaranteed. Therefore the regular income which you (or your named spouse or civil partner) could obtain from a lifetime annuity or another pension product on your 75th birthday may be lower than you would receive had you used your pension fund(s) to buy a lifetime annuity now rather than investing in a Living Time 75 Plan or had your spouse / civil partner decided to do so at your death.
- If you die during the term before the maturity amount is paid, no income, lump sum or maturity payment will be made to your spouse / civil partner, estate or dependants, unless you have selected at least one of the benefits outlined on page 4 in the section headed "What happens to my Living Time 75 Plan if I die?".
- Your future income may be restricted by the income limit set by the Government Actuary's Department (GAD). More information is provided on page 4 in the section headed "Could my income change?".
- If you have chosen a spouse / civil partner's income benefit and you die during the term, your spouse / civil partner's income may be restricted by the GAD limit. This is explained in more detail in the section headed "What happens to my Living Time 75 Plan if I die?".
- You and if relevant your named spouse / civil partner have 30 days after you receive 'Your Right To Change Your Mind' letter to cancel your Living Time Plan or the election to provide the specified spouse / civil partner benefits. Once this period has passed you cannot cancel or change your Living Time Plan in any way and your money is invested until the day before your 75th birthday, or your death if earlier.
- If the pension fund monies we receive are less than the quoted amounts then your benefits will be lower than those shown on the quotation you selected.
- Inflation will reduce what you can buy with your income in the future.
- Tax rules and practice including those applying to income and death benefits may change in the future.

What is the Living Time 75 Plan?

The Living Time 75 Plan is a pension arrangement available under unsecured pension rules which enable an income to be taken from pension fund monies instead of using them to buy an immediate lifetime annuity. The Living Time 75 Plan pays you an income until the end of the term, which is the day before your 75th birthday. At the end of the term a guaranteed maturity amount will be available for reinvestment in a lifetime annuity or another pension product with either AIG Life or a company of your choice. This may be used to pay out a regular income for the rest of your life, or to purchase an 'alternatively secured pension'.

There are options to provide benefits to your spouse / civil partner, your estate or other nominated beneficiaries in the event of your death or that of your surviving spouse / civil partner during the term of your Living Time 75 Plan. This is explained in more detail in the section headed "What happens to my Living Time 75 Plan if I die?".

You will be committing yourself until the day before your 75th birthday to receive the income and guaranteed maturity amount, therefore you will be unable to withdraw or make any changes outside the 30 day 'Your Right To Change Your Mind' period.

All Living Time 75 Plans are underwritten by AIG Life.

You can buy a Living Time 75 Plan with money from any one, or a combination, of the pension plans or pension schemes registered with HM Revenue & Customs.

The Living Time 75 Plan does not accept 'protected rights', 'GMP' pension funds or transfers from defined benefit schemes.

If you have the option of taking part of your pension fund(s) as a 'pension commencement lump sum' (currently tax free) and wish to do so, you must do this when you take out your Living Time 75 Plan, otherwise this option will be lost.

Currently, you may take out a Living Time 75 Plan from age 50 onwards and it must mature on the day before your 75th birthday. The minimum term of the Plan is five years and the maximum age of entry is 69 years and 11 months.

How much is my regular income and guaranteed maturity amount?

The quotation accompanying this document illustrates the income and guaranteed maturity amount you will receive from your Living Time 75 Plan based on the specific options you have chosen. To compare different options, please ask your financial adviser for further illustrative quotations.

The amount of income and guaranteed maturity amount you may receive depend on:

- **How much money is invested**

The income and guaranteed maturity amount are based on the amount applied to the Plan. The larger your investment, the more you will receive.

- **The options you choose**

Each combination of options chosen has a different cost. This will affect the income or guaranteed maturity amount.

- **Current market conditions**

Rates may change depending on market conditions. A quotation guarantees rates until the expiry date shown on your quotation.

- **Income payments**

When you start the Plan, you choose the level of income you require within an available range. The higher the income you choose, the lower your guaranteed maturity amount will be.

You may also choose whether your income is fixed or increases annually throughout your Plan. The maximum annual increase allowable is 8.5%. If you decide to take an increasing income then your initial income will be lower. Selecting an increasing income will provide you with some protection against inflation. All income payments are subject to limits – see "Could my income change?" below.

You can receive your income monthly, quarterly, half-yearly or annually. Income payments can be received in advance or in arrears (i.e. at the beginning or at the end of the payment period). Payments may be with or without proportion (this only applies to payments in arrears and means that if you choose with proportion and die between payment dates, a payment will be made for the period up to your death).

Could my income change?

Your income will never exceed the amount shown in your final quotation but may be restricted by the Government Actuary's Department ('GAD') limits which apply by law to all Unsecured Pension Arrangements.

The Living Time 75 Plan is designed to give you flexibility in the level of initial income that you choose. The GAD basis sets the maximum income limit. Your initial level of income is within the current GAD limit. However you may not be able to continue taking this level of income throughout the term of your Plan.

We are required by law to review your Plan every five years to ensure that your chosen income remains within the GAD limit applicable at that time. If at a review date, we are required to reduce your income, this will be done in accordance with the GAD limit. Your current GAD income limit is shown on your quotation in the section headed "What income am I currently allowed?".

If we have to restrict your income, and at a second or subsequent 5 yearly review it is possible to increase your annual income again owing to an increase in the GAD limit, this will be done up to the income amount shown in your final quotation.

In the event of a restriction, any income that we will not be able to pay you (plus interest) will be added to your guaranteed maturity amount. We will add interest to any unpaid income at a gilt yield of appropriate duration, as determined by the Company.

If you are taking a level of income higher than the lifetime annuity that you could have purchased now with your pension fund(s), as shown on your quotation, then you are more likely to be affected by the GAD limit at the five yearly reviews.

What income can I expect to receive when my Living Time 75 Plan ends?

Under current legislation, when your Plan matures, you can purchase a lifetime annuity with AIG Life. You may instead purchase a lifetime annuity or an 'alternatively secured pension' with a provider of your choice. If applicable, your named spouse / civil partner can purchase a dependant's annuity or a dependant's alternatively secured pension with a provider of his or her choice.

If you choose a lifetime annuity the level of regular income you receive may be higher or lower than the income you were receiving from your Living Time 75 Plan. The income you receive will depend upon the rate for your age on the day before your 75th birthday, your health, the benefits chosen and market conditions at that time, principally the interest rate used to calculate your lifetime annuity and changes in life expectancy. If your spouse / civil partner receives a maturity amount the same risk of a lower income would apply to them.

What happens to my Living Time 75 Plan if I die?

You can elect to take a smaller income and guaranteed maturity amount in return for a number of benefits if you die during the term. If you do not select any of these benefits, no guaranteed maturity amount or further income will be payable on or after your death. When selecting the benefits, you should consider carefully if these benefits make adequate provision for your spouse / civil partner or other dependants in the event of your death.

There are three optional benefits if you die during the term:

- **Value Protected**
- **Guaranteed Period**
- **Spouse / civil partner income and guaranteed maturity amount**

Any combination of these benefits can be selected except that;

- Both the Value Protected and Guaranteed Period options cannot be chosen together.
- Spouse / civil partner income and maturity payments benefits are only available to Plan Holders with a younger spouse / civil partner.

Payment of lump sums on death

Any lump sum benefit payable on death will be paid at the discretion of AIG Life for the benefit of one or more dependants, relatives, legal personal representatives or other persons in such proportions as AIG Life decides. You or your spouse / civil partner, as appropriate, may nominate in writing whom you wish to receive a lump sum and the relevant proportions. Your nomination will be carefully considered by AIG Life. A wide list of persons may be nominated including the trustees of a trust, registered charities and other bodies as set out in the Policy Conditions.

Death benefits may be subject to an Inheritance Tax charge. You should contact your financial adviser for Estate Planning advice.

The options available are described below:

- **Value protected**

This guarantees that should you die during the term and the total regular income payments (before tax) already made from your Plan are less than the amount you originally invested, then a lump sum equal to the difference will be payable.

The lump sum may be paid to your spouse / civil partner, your estate or other nominated beneficiary, as a lump sum, after a tax charge which is currently 35%.

However, when a spouse / civil partner income benefit has also been selected (see below), a lump sum is payable only if you and your spouse / civil partner both die before the maturity date and the combined income (before tax) you have both received is less than your original investment. The lump sum after a tax charge, which is currently 35%, would then be paid normally to the last survivor's estate or in accordance with their wishes.

The following example shows how the Value Protected benefit works when no spouse / civil partner income has been selected. In this example, a person aged 60 invests £100,000 in a Living Time 75 Plan with Value Protected and a regular income of £6,000 per year:

Age at death	Total regular income already received (before tax)	Lump sum payable on death (before tax)	Total return
65	£30,000	£70,000	£100,000
70	£60,000	£40,000	£100,000
74	£84,000	£16,000	£100,000

- **Guaranteed period**

Your income payments can be guaranteed for a minimum period ranging from one month up to a maximum of ten years, or the end of the term if earlier.

If you die during the Guaranteed Period the current value of any remaining guaranteed income will be paid as a commuted lump sum less tax, currently 35%, unless spouse / civil partner income has been selected.

If you have selected a spouse / civil partner income we will make income withdrawal payments at the level which you were receiving, within the GAD limit, for the remainder of the guaranteed period to your named spouse / civil partner.

If spouse / civil partner income has been selected and you and your spouse / civil partner both die during the Guaranteed Period the current value of any remaining guaranteed income will be paid as a commuted lump sum, less applicable tax which is currently 35%, normally to the last survivor's estate or in accordance with their wishes.

- **Spouse / civil partner income and guaranteed maturity amount payments**

You may choose for income payments to be paid to a named spouse or civil partner should you die before the maturity date. If you select this option, you choose the percentage amount of your Plan income that you would like your spouse / civil partner to receive until the maturity date or their death if earlier.

On your death before the maturity date the spouse / civil partner option creates a dependants' unsecured pension fund for your named spouse / civil partner. Because of this your spouse / civil partner is also required to become a party to the Plan and agree to take the specified level of income. The designation in favour of the spouse / civil partner cannot be changed even if you get divorced or the civil partnership is dissolved.

Any income payable to your spouse / civil partner may be restricted by GAD income limits.

The limit is more likely to have an impact if any of the following apply:

- your initial income is higher than the lifetime annuity that you could have purchased with your pension fund(s), as shown on your quotation, and you have chosen a spouse / civil partner income of more than 2/3rds of your income;
- your spouse / civil partner is significantly younger than you;
- you select an increasing income.

In the event of a restriction, any income that we will not be able to pay your spouse / civil partner (plus interest) will be added to their guaranteed maturity amount. We will add interest to any unpaid income amount at a gilt yield of an appropriate duration, as determined by the Company.

If you have selected a Guaranteed Period as well, and your death occurs during this Guaranteed Period, then your spouse / civil partner will automatically receive an income at the same level as you were receiving subject to the GAD limit, for the duration of the Guaranteed Period before reverting to your chosen income percentage.

Also, if the spouse / civil partner income option is chosen and you die during the term, a guaranteed maturity amount is payable to your spouse / civil partner if they survive to the end of the term. The maturity amount is the amount that would have been paid had you survived for the full term, reduced to reflect your chosen income percentage. Your spouse / civil partner must then invest this guaranteed maturity amount into a lifetime annuity or another pension product with AIG Life or a provider of his or her choice.

Do I pay tax on my income?

The income you receive will be taxed as earned income under the Pay As You Earn (PAYE) system, according to instructions AIG Life receives from your local tax office. Current tax rates and allowances could change in the future.

If you have chosen a spouse / civil partner income, this income will also be subject to tax.

Can I make any changes?

Once you accept a particular quotation and submit your application, you cannot make further changes. However, before submitting your application you can request and compare different options and illustrative quotations.

Can I cancel my Living Time 75 Plan?

When AIG Life receives your application you, and if you have chosen spouse / civil partner benefits your named spouse / civil partner, will be sent a 'Your Right To Change Your Mind' notice. Upon receiving this notice, you have 30 days in which you can change your mind and cancel.

If you wish to cancel after funds have been received by AIG Life, you will be required to repay any 'pension commencement lump sum' that you have received and your total pension fund(s) will be repaid to the transferring pension provider(s). If the transferring pension provider(s) will not accept a return of monies, we require your instructions on which product provider you wish your funds to be forwarded to. The selected product provider's pension scheme or contract must be registered with HM Revenue & Customs.

Once 'Your Right To Change Your Mind' period has expired and your Plan has commenced you cannot cancel the Plan and it must run until the end of the term.

Can I transfer?

You cannot transfer your Living Time Plan to another pension provider during the term, however the company reserves the right to offer a transfer value at its discretion.

What happens if market conditions change?

A quotation is guaranteed until the quotation expiry date shown on the quotation. If your funds are received after the quotation expiry date, then AIG Life's Living Time rates on the date they are received will apply.

A revised quotation will be sent to you in either instance. If the revised quotation details a reduction in your income or guaranteed maturity amount, we will require you to confirm whether you wish to continue via your financial adviser.

When we receive the money from your transferring pension provider(s) we will apply the higher of the two rates, either the rates shown in the quotation (as long as your pension fund monies are received on or before the quotation expiry date) or the current rate.

What are the charges?

A deduction is made from your initial investment to meet expenses for administration and investment management over the term of your contract plus any commission payable to your adviser. The benefits shown in your quotation are after allowing for charges.

How much will the advice cost?

AIG Life may pay commission to your financial adviser for arranging your Plan. Any such commission will only be paid once your Plan commences. Details of the commission paid can be found on the quotation. It is paid for out of the charges described above.

Compensation

The Financial Services Compensation Scheme (FSCS) is an independent body set up under the Financial Services and Markets Act 2000. The FSCS may pay compensation in the event that AIG Life is unable to meet its obligations to you. Further details are available from the FSCS.

How can we be contacted?

Please continue to use your financial adviser as your first point of contact.

Alternatively, if you would prefer to contact AIG Life directly in connection with your Living Time Plan:

Call:	New Business Tel: 08450 588 500	Existing Business Tel: 0845 121 2126
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Lines are open 9am to 5pm, Monday to Friday.
We may monitor your calls to maintain and improve the quality of our service.

OR

Write:	New Business Living Time PO Box 948 Cheltenham GL50 9BY	Existing Business AIG Life Payment Team Sutherland House Russell Way Crawley West Sussex RH10 1UD
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OR

Email:	ifaoperations@living-time.co.uk	living-time@paymaster.co.uk
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How do I make a query or complaint?

For further information, or if you wish to make a complaint, please call or write to us using the contact details on page 7.

If we are unable to resolve your complaint to your satisfaction, you may refer it to the Financial Ombudsman Service:

South Quay Plaza, 183 Marsh Wall, London E14 9SR

Tel: 0845 080 1800

enquiries@financial-ombudsman.org.uk

www.financial-ombudsman.org.uk

Law

This Plan (and Policy Schedules forming part of it) shall be governed by and interpreted in accordance with the Laws of England and Wales and the court of England and Wales are to have exclusive jurisdiction in relation to any disputes arising out of or in connection with them.

This document is based on our understanding and interpretation of current English Law and HM Revenue & Customs Practice and although great care has been taken to ensure that the information is correct, AIG Life cannot accept responsibility for its interpretation or for any changes to HM Revenue & Customs Practice.

About Living Time

Living Time is a new kind of financial services company for people reaching the end of their full time working lives. We have developed innovative income products for life after work, the fundamental difference being that we recognise that your money is your money not ours, and that you should therefore be able to retain greater control than if you purchased an immediate lifetime annuity.

We understand that many people will not want to make a financial decision now that cannot be changed for the rest of their lives. Many people have worked hard to build a pension 'pot' and would like to retain control of that 'pot' for as long as possible.

Living Time Limited is an appointed representative of American Life Insurance Company (ALICO). Living Time Limited is registered in England with company number 04750947 and has its registered office at 1 Conduit Street, London W1S 2XA.

About AIG Life

AIG Life is a trading style of American Life Insurance Company (ALICO), a company limited by shares, registered in England, No. FC2696 Registered Office ALICO House, 22 Addiscombe Road, Croydon, CR9 5AZ. American Life Insurance Company is authorised and regulated by the Financial Services Authority. ALICO is a member company of the American International Group, Inc (AIG). AIG, world leaders in insurance and financial services, is the leading international insurance organisation with operations in more than 130 countries and jurisdictions. AIG Life may monitor calls to maintain and improve the quality of its service.

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