

# The Retirement Account

Policy Terms & Conditions

# Your Retirement Account

Welcome to your **Retirement Account**. These **terms and conditions** explain how your **Retirement Account** works. The meaning of words that we use frequently in these **terms and conditions** and which are in bold, are set out in the definitions in part G. The words “we”, “us” or “our” refer to Retirement Advantage, which is a trading name of MGM Advantage Life Limited as **plan** administrator, unless specified otherwise. The words “you” and “your” refer to the individual whose **application** for a **Retirement Account** is accepted and who is a **member** or, if relevant a **dependant, beneficiary, or successor**.

Your **Retirement Account** is a legal agreement between you and us. It is made up of:

- the **application** you completed to buy the **Retirement Account**
- the **terms and conditions**
- the **schedule(s) of benefits**

In addition to these documents, you should also refer to The **Retirement Account** Key Features document, and your illustration of benefits. Any documents referred to are available by contacting your financial adviser or by telephoning or writing to us using the details set out in the ‘Enquiries’ section below. You should keep all documents relating to The **Retirement Account**, along with the **terms and conditions** and **schedule(s) of benefits** and any subsequent versions, for future reference.

We can:

- change these **terms and conditions**, see section F11 for details and the notice we will give you to make a change;
- change the charges for your **Retirement Account**, including the annual charge and the other charges on giving you notice, see section A8 for details; and
- remove your ability to purchase future **Guaranteed Annuity policies**, see section D1 for details of when this applies and the notice we will give you.

Section F21 also sets out when we will accept responsibility for any loss arising in connection with your **Retirement Account**.

When you sign and submit the **application**, this does not mean we have accepted your **application** for the **Retirement Account**. If we are unable to accept your **application** we will inform you of this in writing and we will not set up your **Retirement Account**.

The **terms and conditions** become binding on you and us and the **Retirement Account** comes into existence when we issue you with your first **schedule of benefits**.

If you would like a copy of these **terms and conditions** and the **schedule(s) of benefits** in an alternative format please contact us using the contact details below.

## Enquiries

If you have any questions about these **terms and conditions**, please contact your financial adviser or telephone us on 0800 032 7690.

Alternatively, you can write to us at Retirement Advantage, PO Box 4993, Worthing, BN99 4AE or email [customers@retirementadvantage.com](mailto:customers@retirementadvantage.com).

Please remember to quote your **Retirement Account policy** number(s) in any correspondence you have with us.

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# Part A

## Your Retirement Account

### A1. Outline of your Retirement Account

You have applied to set up a **Retirement Account** and become a **member** (or **beneficiary** where applicable) of the Retirement Advantage Pension **plan** (the '**plan**'), which is a **registered pension scheme** established under trust.

You became a **member** (or **beneficiary** where applicable) of the **plan** on the **Retirement Account start date** shown in your **schedule of benefits** (or earliest **schedule of benefits** if more than one). We will send you a copy of the **plan rules** upon request.

There are occasions when we will change the **plan rules** to take account of changes in law or regulation affecting the **plan** or for any other reason the rules or law permit. If we do change the rules of the **plan** and you are affected by the change(s), we will, where practicable, give you at least three months' advanced notice in writing.

Investments in your **Retirement Account** are held in an insurance **policy** or **policies** issued to the **trustee** by Retirement Advantage as **insurer**.

### A2. The trustee

The **trustee** is the legal owner of the **policy(ies)**. Retirement Advantage is responsible for appointing the **trustee**. The **trustee** it has appointed is Trustee Solutions Limited. Retirement Advantage reserves the right to change the **trustee** at any time.

### A3. How your Retirement Account works

Your **Retirement Account** comprises one or more arrangements for the purposes of the Finance Act 2004. If you are a **member** you will have one or more of the following arrangements:

1. A **drawdown arrangement** for funds that have been designated or **crystallised** as **Flexi access drawdown** within your **Retirement Account**.
2. One or more **drawdown arrangements** for funds that have already been **crystallised** as drawdown before they are transferred to your **Retirement Account**. Each transfer of **crystallised** drawdown funds comprises a separate arrangement under your **Retirement Account**.
3. A **Pension Savings** arrangement for **uncrystallised** funds within your **Retirement Account**.

If you are a **member** and you wish to hold a **Pension Savings** arrangement you must also have a **Guaranteed Annuity** or at least the **minimum**

**drawdown value** held as **Pension Drawdown**. You can move all or part of your **Pensions Savings** into **Pension Drawdown** at any time.

If you are a **beneficiary** your **Retirement Account** comprises one **drawdown arrangement**. You cannot hold a **Pension Savings** arrangement.

Payments from your **Retirement Account** (including the payment of benefits, fees and charges) are made from the **cash accounts** in each relevant **drawdown arrangement**. Part B gives you more information on the **cash accounts**.

The **Pension Drawdown** and (if you are a **member**) **Pension Savings** parts of your **Retirement Account** can be invested in a range of **investment funds** (see section C1).

You can purchase a **Guaranteed Annuity**, using some or all of the funds held in **drawdown arrangements**. The **Guaranteed Annuity** will be held as an investment of your **Retirement Account**. Any income generated from the **Guaranteed Annuity** will be paid into the **cash account** of the relevant **drawdown arrangement**.

A **Guaranteed Annuity** cannot be cancelled outside of the cancellation period explained in A6.

Once you have a **Guaranteed Annuity** it will continue to pay an income as set out in the **schedule of benefits**. However, we may cease to offer future **Guaranteed Annuity policies** at any time on giving notice to you. So if you subsequently wish to use your **Retirement Account** monies to buy another **Guaranteed Annuity** in the future this option may not be available to you. Section D1 sets out when this may apply and the notice we will give you.

If there is more than one **drawdown arrangement** in your **Retirement Account** and you request regular income payments (or request to change your regular income payments) then unless you specify otherwise, we will make income payments proportionately from all of your **drawdown arrangements** based on the balance of funds in each arrangement at outset.

If you instruct us to make fund switches we will apply your instructions to all of the arrangements in your **Retirement Account**.

For any other payment from your **Retirement Account** (such as an ad hoc withdrawal, a partial transfer or the deduction of fees to be paid to your adviser) you can instruct us as to which **drawdown arrangement** should be used to make the payment. If you do not give us instructions we will make the

payment from the **drawdown arrangement** with the smallest value first. If this is insufficient to make the payment in full we will use the **drawdown arrangement(s)** with the next smallest value until the payment is made in full. If this is still insufficient and you have **Pension Savings** you can also instruct us to use these funds to meet the payments due.

When purchasing **Guaranteed Annuity** investment policies, we will purchase the **Guaranteed Annuity** using funds from the smallest **drawdown arrangement** that has sufficient value to purchase the required **Guaranteed Annuity**. If no single arrangement can achieve this, we will then use more than one arrangement, with a separate **Guaranteed Annuity policy** in each, but we will seek to minimise the number of arrangements used. Residual funds in such arrangements will continue to be held as **Pension Drawdown**.

#### A4. Transfer payments into the Retirement Account

If you are a **member**, your **Retirement Account** can receive transfers from one or more **registered pension schemes**.

We will not accept transfer payments where one or more of the following conditions apply (you are responsible for letting us know if any of the conditions do apply):

- Your account is a **beneficiary's Retirement Account**;
- You are not a **UK resident**;
- You have applied for scheme specific protection of lump sum rights;
- The transfer payment(s) are subject to an earmarking order;
- You do not have a financial adviser; or
- The benefits arise from a defined benefit scheme and you have not received a recommendation to transfer from a suitably qualified financial adviser;

You are responsible for letting us know if you have any form of lifetime allowance protection.

We do not accept payments (contributions) into your **Retirement Account**.

If you are a **member** you have to be at least age 55 (unless you have an entitlement to take benefits at an earlier protected age, in which case the minimum age is 50) to set up a **Retirement Account**. If **HMRC** increases the age at which pension benefits can be accessed (other than in ill-health), then we will also increase this minimum age.

We set a minimum amount that we'll accept for each individual transfer payment. In addition, where more than one transfer payment is being made at the same time, we set an overall minimum amount which applies to the total of all the transfer payments being made at that time. We change these minimums from time to time. You can find our current minimums on our website.

We set a **minimum drawdown value** (see section A13) for your **Retirement Account**. Where there is no **Guaranteed Annuity**, your **Retirement Account** must hold at least this minimum value in **Pension Drawdown** at all times.

If, on any subsequent transfer into your **Retirement Account** the **minimum drawdown value** is not met, any **uncrystallised** funds that are being transferred into your account will be **crystallised** to the extent necessary to meet the **minimum drawdown value**, subject to the **minimum crystallised amount** (see section A12).

If you are a **member**, when **uncrystallised** transferred funds are **crystallised**, either at commencement or subsequently, you can normally apply to take a **pension commencement lump sum**. If you do not apply to take a **pension commencement lump sum** at this time, your right to any **pension commencement lump sum** in relation to the amount crystallised into your **Retirement Account** will be lost.

If transferred funds consist solely of **crystallised** funds, you will have no entitlement to a **pension commencement lump sum** in respect of that transfer.

Each transfer payment will be invested in line with your instructions within five working days of the later of receiving:

- the cleared payment available to invest; and
- all necessary documentation.

If you choose to take a taxable payment in addition to any entitlement to a **pension commencement lump sum**, your investment instruction will be applied first, and the taxable payment will then be made by selling **units** in the **Pension Drawdown investment funds**.

#### A5. Start of the Retirement Account

The **Retirement Account start date** is the date we accept your **application** and is set out in the **schedule of benefits** (or your earliest **schedule of benefits** if you have more than one).

## A6. Cancellation

You have cancellation rights in certain circumstances as shown in the table below. In these cases we will send you a cancellation notice. You have 30 days from receipt of this notice to let us know if you want to make the cancellation the notice refers to.

Please note the original pension provider may refuse to accept a return of funds on the terms that previously applied to you, or they may not accept it at all. If so, you will be responsible for finding another provider who will accept the transfer of the pension fund.

If the original pension provider refuses to accept a return of funds and we do not receive new instructions, or we cannot act on them, the **Retirement Account** will remain, with all funds held in the **cash accounts** until we receive further instructions from you. If you had originally requested we buy a **Guaranteed Annuity**, you can cancel that instruction and your funds will be held only in the **cash account**.

When can cancellation take place?	Applies to	Impact
At the start of your <b>Retirement Account</b> .	The <b>Retirement Account</b> is cancelled.	Any <b>pension commencement lump sum</b> you have taken and any income you have received must be returned. We will ask the pension scheme the transfer payment came from to accept the return of the transfer payment, less any financial adviser fee paid and less any investment loss.
At any further <b>applications</b> to add subsequent transfer payments to your <b>Retirement Account</b> .	The existing <b>Retirement Account</b> remains. Only the new <b>application</b> for further transfer payments is cancelled.	Any <b>pension commencement lump sum</b> you have taken and any income you have received relating to the transferred amount must be returned. We will ask the pension scheme the transfer payment came from to accept the return of the transfer payment, less any financial adviser fee paid and less any investment loss in respect of the new <b>application</b> .
If you ask us to purchase a <b>Guaranteed Annuity</b> from <b>Pension Drawdown</b> funds.	The <b>Guaranteed Annuity</b> only is cancelled.	If <b>units</b> were sold to purchase the <b>Guaranteed Annuity</b> there may be a loss to you when those <b>units</b> are re-purchased.
Upon your death if your <b>beneficiary</b> asks us to establish a <b>Retirement Account</b> for residual funds.	The <b>Retirement Account</b> for the <b>beneficiary</b> is cancelled.	Funds can be taken as cash or transferred elsewhere.

## A7. Payments from the Retirement Account

Payments to you from **drawdown arrangements** (including any **Guaranteed Annuity** income) will be made from the relevant **cash account** (see Part B).

You decide the level of your regular income. We set a minimum amount for both regular and ad-hoc payments of income that can be paid out to you. The minimum payments are set out on our website.

You can choose for the regular payments from your **cash account** to be made monthly, quarterly or yearly. You can change the level and the frequency at any time by contacting us, using the details provided on page 2. Regular income is payable in the currency of the UK at the time, to UK bank accounts by direct credit.

You can choose to receive your regular income payments on the 12<sup>th</sup>, 20<sup>th</sup> or 28<sup>th</sup> of the month. You may receive your payments earlier than your chosen date. For example, if your payment date falls on a bank holiday or over a weekend.

Where the income generated by the **Guaranteed Annuity** automatically increases in value (see section D5), then the amount being paid from the **cash account** to you will also increase by the same value unless you have specified otherwise.

Where the amount of money held in the **cash account** is insufficient to meet a payment in full, we will cancel **units** in other **Pension Drawdown** funds (see Part B).

You are able to take ad-hoc payments at any time (subject to the minimum payment levels found on our website) by contacting us, using the details provided on page 2. Any ad-hoc income payments will normally be paid on the next available income payment date. Ad-hoc payments are payable in the currency of the UK at the time, to a UK bank account by direct credit or by electronic bank transfer. We reserve the right to apply a charge where you request more than 12 ad-hoc payments in any 12-month period.

Ad-hoc payments made by electronic bank transfer can be paid at any time (not just on the next available income payment date). We will charge a fee for payments made by electronic bank transfer, which will be deducted from the **cash account**.

Details of any charges, and the minimum ad-hoc payment amount are given on our website.

We will deduct tax (if applicable) from your income payments based on the personal tax code provided to us by **HMRC** before making payment to your nominated bank account. We will use the emergency code basis if your personal tax code has not been provided to us.

## A8. Product charges, investment charges and adviser fees

### A8.1. Product charges

We make a drawdown charge whenever you designate any **uncrystallised** funds under your **Retirement Account** as **Pension Drawdown**. This could be an immediate crystallisation at the outset of your **Retirement Account** or later when you crystallise any **Pension Savings** or, if you are a **beneficiary** on the designation of any residual **Pension Savings** on the **member's** death as **Pension Drawdown**. The charge will also apply separately to each **drawdown arrangement** that originates from transferred funds that were already **crystallised** prior to transfer. The drawdown charge is deducted from the relevant **cash account**. The amount of the charge is indicated in your **schedule of benefits**.

We also collect an annual charge. The charge is calculated using the value of, and taken from, the **Pension Drawdown** and (if you are a **member**) **Pension Savings** parts of your **Retirement Account**. The charge is calculated and deducted monthly from your **Retirement Account** and the amount deducted is one twelfth of the annual rate shown in your **schedule of benefits** applied to the total value of your **investment funds** and **cash account**. Your annual statement will confirm the annual charge that has been deducted.

### A8.2. Investment charges

An annual investment charge will be deducted, on a daily basis, in determining the **unit price** of each **investment fund**.

Where additional expenses are taken directly from the **investment funds**, or from the underlying investments of the **investment funds**, these are taken into account when calculating the value of the **investment funds**.

These additional expenses are the normal costs, taxes, duties and other charges incurred in holding, purchasing, managing and selling the assets of the **investment funds**.

Details of any charges that are currently applied to any **investment funds** are on our website.

### A8.3. Adviser fees

In your **application** you were able to instruct us to facilitate the payment of financial adviser fees to your financial adviser from your **Retirement Account**. Any adviser fees will be deducted from the **cash account**. The charges you agree to pay your financial adviser are a matter between you and your financial adviser. This is not a payment for any services provided by your financial adviser to us. We do not charge for the facilitation service.

The payment of an adviser fee is in addition to our charges.

Should you change financial adviser, a new instruction to facilitate the adviser charge is required.

### A8.4. Charges for additional services

We will charge for additional services outside of normal administrative activities on a time cost basis. We will give you notice that such a charge is to apply, and you can ask us not to proceed with the transaction. You can find the current time cost on our website. Examples include, having:

- more than 12 investment switches in any 12-month period;
- more than 12 investment sales and/or purchases in any 12-month period;
- more than 12 **unit** statements in any 12-month period; or
- more than 6 projections in any 12-month period.

### A8.5. Changing charges

We can make changes to the drawdown charge and annual charge and to other charges associated with your **Retirement Account** such as the cost of making ad-hoc income payments by electronic bank transfer, or to the cost of the **investment funds** available. We will give you notice of any change at least 60 days in advance.

We do not charge for transferring out your **Retirement Account** if we receive a written request from you to transfer within 30 days of the notice we sent you about the change.

We will not make any changes to the charges applicable to a **Guaranteed Annuity** held in your **Retirement Account** after the **Guaranteed Annuity start date**.

### A9. Pension Sharing Orders and Pension Earmarking Orders

If we receive a pension sharing or earmarking order applicable to your **Retirement Account** we will

apply the order against your **Retirement Account** in accordance with the instruction provided by the court. Depending on the order, we may require underwriting information in respect of you and any named **dependant** or **successor**. If there are insufficient funds in your **cash account** to make any payment or transfer due, we will contact you for instructions, regarding any **investment funds** you hold. If you do not provide us with instructions in sufficient time to allow us to implement the payment or transfer in the timescales required by the court order, we will raise the necessary funds by selling **units**:

- firstly, in your **Pension Drawdown** funds on a proportionate basis;
- and
- secondly, to the extent your **Pension Drawdown** funds are insufficient to implement the order, in your **Pension Savings** on a proportionate basis.

We reserve the right to make a charge for any additional costs we incur that are related to the order.

### A10. Transfers from your Retirement Account

If you choose to transfer some or all your pension monies to another **registered pension scheme** or annuity provider or qualifying registered overseas scheme, and you have previously instructed us to buy a **Guaranteed Annuity**, then only **Pension Drawdown** and/or **Pension Savings** funds (including the **cash account**) can be transferred. Any **Guaranteed Annuity** cannot be transferred.

We will create a new arrangement to hold the **Pension Drawdown** funds which you wish to transfer. They will then be transferred to the specified pension plan you have chosen.

You can ask us to transfer all or part of your **Pension Drawdown** and/or (if you are a **member**) **Pension Savings** funds to:

- another **registered pension scheme** (if you are asking us to transfer **Pension Drawdown** funds the scheme must offer **Flexi access drawdown**);
- buy a lifetime annuity; or
- a qualifying recognised overseas pension scheme.

The transfer value payable will be equal to:

- if you have asked for a partial transfer, the requested partial transfer value. However, if the residual funds do not meet our required **minimum Retirement Account value** (see section A11), after the deduction of fees and charges, the whole fund must be transferred;



or

- if you have asked for a full transfer of your **Pension Drawdown** and/or (if you are a **member**) **Pension Savings** funds, the value of your funds following the sale of the **investment funds** held in your **Retirement Account** and deduction of any fees and charges due.

Once we've received all the documentation necessary to make the transfer payment, we will sell the **units** held by your **Retirement Account**, within five working days. Where you have requested a partial transfer the **units** sold will be in the **investment funds** you have chosen. We will then make the transfer payment from the **cash account** in the form of a cash payment.

### A11. Minimum Retirement Account value

If your **Pension Drawdown** and (if you are a **member**) **Pension Savings** fund reaches the **minimum Retirement Account value**, which can be found on our website, and there is no **Guaranteed Annuity** in payment, we can provide one month's notice that we intend to close your **Retirement Account**.

You may then choose to:

- receive the remaining funds as a lump sum ;
- (if you are a **member**) keep your **Retirement Account** open by transferring additional funds in from a **registered pension scheme**; or
- instruct us to transfer your remaining funds to another **registered pension scheme** that is willing to accept it during that period.

If you do not provide any instructions to us we will sell the **investment funds** held in your **Retirement Account** and pay the remaining funds from the **cash account** into your nominated bank account, less any tax and other fees and charges due. On making this payment your **Retirement Account** will be closed.

### A12. Crystallising your Pension Savings

If you are a **member** and you hold **Pension Savings** within your **Retirement Account** you can, at any time, choose to move these funds into **Pension Drawdown**. There is a **minimum crystallisation amount** that must be **crystallised** and you can find our current **minimum crystallisation amount** on our website.

Any **Pension Savings** funds moved into **Pension Drawdown**, will remain invested in their current **investment funds**. This might differ from the **investment funds** in which your existing **Pension Drawdown** funds are invested. You can switch funds using the **Retirement Account** fund switch form that can be found on our website.

When you move **Pension Savings** into **Pension Drawdown**, you can choose to take a **pension commencement lump sum**. We will automatically sell investments on a proportionate basis from the **Pension Savings** funds that are being moved into **Pension Drawdown** to pay any **pension commencement lump sum**.

### A13. Retaining Pension Savings

In order to hold **Pension savings** within your **Retirement Account** you must be a **member** and must at all times also have **Pension Drawdown** funds and/or have purchased a **Guaranteed Annuity**. If you have not purchased a **Guaranteed Annuity**, you must hold a **minimum drawdown value** in **Pension Drawdown** funds. The **minimum drawdown value** can be found on our website. If the value of the **investment funds** held as **Pension Drawdown** investments subsequently falls below the **minimum drawdown value**, we will contact you and request that you crystallise enough of your **Pension Savings** (subject to the **minimum crystallisation amount**) to cover the **minimum drawdown value** required.

# Part B

## The cash account

Each of your arrangements has a **cash account** which is an insured investment fund. Each **cash account** is divided into **units** on a notional basis. You have no legal rights to the underlying investments.

We will place all transfer monies received into the relevant **cash account** (after any **pension commencement lump sum** has been taken) before following your instructions to purchase other investments.

You can invest any value in a **cash account** into other **investment funds**, subject to a minimum investment amount. The minimum investment amounts can be found on our website.

All income generated by the **Guaranteed Annuity** will be paid into the **cash account** for the **drawdown arrangement** which holds the **Guaranteed Annuity** (see part D for more information). You can choose for some or all of this income to be reinvested into **investment funds** instead of being paid to you.

All payments from your **Retirement Account** will be made from a **cash account**. This includes any regular or ad-hoc income payments. It also includes the facilitation of any financial adviser fees (on your instruction), and product charges.

If there is insufficient value in the relevant **cash account** to meet any fees, charges, the purchase of **Guaranteed Annuity**, transfer out request or income payments due, then we will sell **units** in other **investment funds** in the relevant **drawdown arrangement(s)** to meet the payment. We will sell **units** from all the **investment funds** in the relevant **drawdown arrangement(s)** on a proportionate basis to generate the required amount.

If you are crystallising **Pension Savings** funds to purchase a **Guaranteed Annuity**, then we will sell **units** from your **Pension Savings investment funds** on a proportionate basis.

If there are insufficient other funds available in the relevant **drawdown arrangement(s)** to make the payment due, please note:

- If we are unable to make a payment to you in full, we will pay a lower amount;
- We will not be liable for any fees due to your financial adviser;
- Any outstanding charges will be deducted at a later date.

If you hold **Pension Savings** in your **Retirement Account** you can also instruct us to use these funds to meet the payments due. Any **Pension Savings** moved into **Pension Drawdown** for this purpose will be subject to the **minimum crystallisation amount**.

We will calculate interest accruing on your **cash accounts** on a daily basis and apply it to the relevant **cash account** on the last day of each calendar month, in the form of additional **units**, which will increase the relevant **cash account** balance. Details of the current rate of interest can be found on our website. We will retain any difference between the amount of interest paid to you and the amount we receive from **cash account** investments.

# Investment funds

This section tells you about the **investment funds** that are available for investment of the **Pension Drawdown** and (if you are a **member**) **Pension Savings** part of your **Retirement Account**. The **investment funds** are provided by the **insurer** through the **policy(ies)**. In this section, the words “we”, “us” and “our” refer, where the context so requires, to Retirement Advantage as **insurer**.

## C1. Investment choice

You must decide where you would like your **Pension Drawdown** and (if you are a **member**) **Pension Savings** funds invested by choosing one or more of our **investment funds** available at that time for your **Retirement Account**. If you are a **member**, you can choose different **investment funds** for your **Pension Savings** and your **drawdown arrangements**.

There will be occasions when we introduce new **investment funds** or close, divide or merge **investment funds**, see C5 for examples of when this may occur.

Details of the current **investment funds** are available on our website.

## C2. Valuing the investments funds

We calculate the value of each **investment fund** every working day.

Where the underlying investment is dual-priced we will decide which of the two bases of valuation, or any in between, should be used to calculate the **unit price**. If the fund is expected to experience net inflows from investors then the valuation uses the price at which the underlying assets of the **investment fund** might be bought (the “buying basis”). If the fund is expected to experience net outflows from investors the valuation uses the price at which the underlying assets might be sold (the “selling basis”). Any taxes or levies that have to be paid will be deducted from the values calculated.

Each **unit** in an **investment fund** has a single **unit price**. This is the price at which individual **units** are bought or sold. The **unit price** for an **investment fund** is calculated by taking the value of the **investment fund** on the basis that applies at the date of calculation (as set out above) and dividing the value by the total number of **units** in the **investment fund**. The **unit price** is then rounded to the nearest 0.1 of a penny, with 0.05 rounded up to the higher 0.1.

## C3. Allocation and cancellation of units

Requests to buy **units** are placed within five working days of the later of the receipt of:

- the transfer value; and
- all necessary information.

We calculate the number of **units** purchased by dividing the purchase price by the **unit price** that applies. We will round the number of **units** to the nearest 0.001 part of a **unit** with 0.0005 rounded up to the higher 0.001.

The division of **investment funds** into **units** is notional and you have no legal rights to the underlying investments.

We will delay any transaction for up to six months or we will change the proportion of **units** sold from each **investment fund** if:

- an **investment fund** does not hold sufficient liquid assets (assets which can be easily sold or converted into other assets); or
- in our opinion, a delay would be in the interests of you and other **Retirement Account** holders, for example, in poor market conditions where there is a significant fall in the market value of an **investment fund**'s assets.

## C4. Changing your investment choice

You can ask us at any time to switch existing investment(s) to other **investment fund(s)** of your choice, subject to our current minimum value of **units** that can be switched. Details of these minimum values can be found on our website.

We will switch investments by selling **units** to the value you wish to switch from an **investment fund** and replace these with **units** in another **investment fund** or **investment funds** to the same value. If you request a switch of funds, we will process your request to sell **units** within two working days of the request being received. We will then process your request to buy **units** in other **investment fund(s)** as soon as we know the value of the **units** sold. We will wait to receive the proceeds from the sale of **units** before we can process the corresponding purchase of new **units** in the following conditions:

- a significant fall in market values; or
- a significantly higher than normal volumes of switch of investments requests,

We do not currently apply a charge for implementing a change to your investment choice. However, we can levy a charge if more than 12 switch requests are received in a 12 month period. We can introduce a charge for implementing a change to your investment choice in the future. If we do so, we will give 60 days notice of our intention to introduce such a charge (see section A8.5).

## C5. Closing an investment fund

We may decide to close an **investment fund**, the reasons may include where:

- The objectives of the fund change;
- The fund consistently underperforms;
- The fund becomes too small to operate economically; or
- The cost associated with running the fund increases beyond the level we deem as acceptable or appropriate for the fund.

If we decide to close an **investment fund**, we can do either or both of the following:

- close it to new money in respect of **Retirement Accounts**; and
- require all **units** held by **Retirement Accounts** in it to be sold and the proceeds moved to another **investment fund** (i.e. completely close an existing **investment fund** as far as **Retirement Accounts** are concerned). If this happens we will tell you which **investment fund** we will switch to and give you the opportunity to choose an alternative **investment fund**.

We will give you three months' notice of such a decision where this is practicable.

# The Guaranteed Annuity

## D1. Introduction

You can direct us at any time to buy a **Guaranteed Annuity** using **Pension Drawdown** funds.

A **Guaranteed Annuity** is a promise that in return for a capital sum an income will be paid into your **Retirement Account** for the rest of your life, as well as any additional **dependant** or **beneficiary** benefits to be paid on your death.

A **Guaranteed Annuity** is an annuity but not a lifetime annuity, as it does not satisfy the conditions for a lifetime annuity as defined in the Finance Act 2004.

You have to be at least age 55 (or at least 50 if you have entitlement to a protected age) to purchase a **Guaranteed Annuity**. We will accept instructions up to the day before your 85<sup>th</sup> birthday.

There is a minimum amount with which you can buy a **Guaranteed Annuity**, which is available on our website.

You can ask us to buy a subsequent **Guaranteed Annuity** at any time with **Pension Drawdown** funds. If you do, then each new **Guaranteed Annuity** is a separate **policy** and will receive its own **schedule of benefits** and own **policy** number.

Each new **Guaranteed Annuity** will be underwritten based on the benefit options you choose, your personal circumstances, and the rates applying at the time.

We will suspend or end the availability of future **Guaranteed Annuity policies** to your **Retirement Account** if there are changes in, or our interpretation changes of, applicable pensions, tax or other law, legislation, regulation or industry codes of practice that mean we consider the cost of providing **Guaranteed Annuities** has become prohibitive to us. We will give you 30 days written notice so far as it is practicable to do so. The notice will take effect from the date stated in it.

In addition, there is an overall maximum purchase amount of annuity you can buy from Retirement Advantage. This maximum amount covers all **Guaranteed Annuity policies** purchased within your **Retirement Account** and other annuity **policies** that have been purchased from Retirement Advantage and/or MGM Advantage Life Limited. The current maximum purchase amount and the products to which it applies can be found on our website.

The information you provide must be correct on the **Guaranteed Annuity start date**. If any information received by us is deliberately or recklessly incorrect, the **Guaranteed Annuity** may become void or the benefits under it may be reduced, or may not be available to you.

Any income generated by the **Guaranteed Annuity** will be paid to the **cash account** of the **drawdown arrangement** from which it was purchased. When you instruct us to buy a **Guaranteed Annuity** you can also specify payments are made to you from your **Retirement Account** that match the payments made into the **Retirement Account** from the **Guaranteed Annuity**.

The benefits payable under the **Guaranteed Annuity** are shown in the applicable **schedule of benefits**.

This section gives more detailed information on the benefits that can be provided under the **Guaranteed Annuity**. The applicable **schedule of benefits** shows the options chosen and the amount of each benefit.

## D2. Guaranteed Annuity start date

The **Guaranteed Annuity start date** will be different to the **Retirement Account start date** (see section A5).

The **Guaranteed Annuity start date** is the date the **trustee** buys the **Guaranteed Annuity**. The **Guaranteed Annuity** is bought within five working days following the later of:

- there being sufficient funds in the relevant **cash account**; and
- the receipt of all relevant information (provided this information is received within the **quotation guarantee period**)

## D3. Income generated by the Guaranteed Annuity

Income generated by the **Guaranteed Annuity** is paid to the **cash account** of the **drawdown arrangement** from which it was purchased on a regular basis - monthly, quarterly, or yearly at the frequency you have chosen. You cannot change the frequency at a later date. You may withdraw funds from the **cash account** at the same frequency or a different frequency, and at the same or a different level. See section A7.

## D4. Timing of the Guaranteed Annuity income instalments

The **Guaranteed Annuity** reference date is the 5<sup>th</sup> of the month following the most recent 28<sup>th</sup> of a month before the **Guaranteed Annuity start date**. For example, if the **Guaranteed Annuity start date** is 16<sup>th</sup> October, the **Guaranteed Annuity** reference date would be 5<sup>th</sup> October. Income is generated on the following dates known as income generation dates, depending on the frequency of income chosen, subject to the income generation dates being after the **Guaranteed Annuity** reference date:

- For monthly frequency - on the 5<sup>th</sup> of every month
- For yearly frequency - on the yearly anniversaries from the 5<sup>th</sup> immediately before the **Retirement Account start date**
- For quarterly frequency - every three months following the 5<sup>th</sup> immediately before the **Retirement Account start date**

If you have chosen either quarterly or yearly frequencies the first income generated amount is reduced in proportion to the number of months between the **Guaranteed Annuity** reference date and the first income generation date compared to three months and twelve months respectively. Subsequent income amounts will be paid in full. If you have chosen monthly frequency then the first income generated amount is not reduced.

## D5. Increases to the Guaranteed Annuity

You may choose for the amount of income generated by any purchase of **Guaranteed Annuity** to increase each year on the next income generation date on or after the anniversary of the **Retirement Account start date**.

The **Guaranteed Annuity** income can increase in one of the following ways:

1. Fixed Rate Increases - Each year the **Guaranteed Annuity** will increase by a fixed percentage, chosen by you at the start of the **Retirement Account**. You can choose a percentage in increments of 1% up to 10%.

The first increase will be reduced proportionately for the number of months between the **Guaranteed Annuity** reference date and the 5<sup>th</sup> immediately before the next anniversary of the **Retirement Account start date** compared to 12 months. Subsequent increases will be applied in full.

Increases will be 'compounded'. This means each increase will be based on the total benefit including any previous increases.

2. Retail Prices Index - Each year the **Guaranteed Annuity** will change in line with the increase in the Retail Prices Index since commencement, with a guarantee that the income will not fall if the index reduced. We will use the index which is published in the calendar month before the income generation date before the anniversary of the **Retirement Account start date** compared with the index published in the month before the **Guaranteed Annuity** reference date and apply any increase in the index to the initial income of the **Guaranteed Annuity**. This will be the new level of income applying from the next **escalation date**, unless this income is lower than the current income in which case the income will remain unchanged.

# Death benefits

This section details the benefits payable following your death.

## E1. Providing for benefits on your death

Noted below are the different benefits that may be paid out on your death. (Section E4.1 refers to when payments will be made following notification of death.)

### E1.1. Pension Drawdown and Pension Savings

Your **beneficiary(ies)** can (subject to meeting our eligibility requirements and relevant legal requirements in each case) use remaining **Pension Drawdown** (excluding any **Guaranteed Annuity**) and **Pension Savings** to:

- take a lump sum payment;
- buy an annuity with Retirement Advantage or any other annuity provider they choose; or
- set up a **beneficiary's Retirement Account** (subject to the required **minimum Retirement Account value** (see section A11)) and if they choose to do so, take income from the **Retirement Account** (see section E4.2).

Or a combination of these three options.

### E1.2. Guaranteed Annuity

#### Dependant's Income

When you instruct us to buy a **Guaranteed Annuity** you can, at that time, choose to include a **dependant's** income payable on your death.

If you have included a **dependant's** income in your **Guaranteed Annuity**, on your death we will set up a **beneficiary's Retirement Account** for the person named on the **Guaranteed Annuity schedule of benefits** as the **dependant**. Any **dependant's** income payable from the **Guaranteed Annuity** will be paid to the **cash account** of that **beneficiary's Retirement Account**. The **dependant** can choose to take income payments from the **cash account**. Or they may decide to invest the monies in the **cash account** in a selection of **investment funds** (see section C1). If that person dies before you, no **dependant's** income will be paid from the **Guaranteed Annuity**.

When you instruct us to buy the **Guaranteed Annuity** with **dependant's** income, the person named as your **dependant** must meet our minimum age requirement. This can be found on our website.

You can choose to set the **dependant's** income proportion as 50%, 66%, 75% or 100% of your **Guaranteed Annuity** income level. The applicable percentage proportion is set out on the relevant **Guaranteed Annuity schedule of benefits**.

On your death, the **dependant's** income will be set at a level equal to the chosen proportion of your income at that time. If you have selected for the income generated by the **Guaranteed Annuity** to increase each year (see section D5) then the income generated by the **dependant's** income will also increase in the same way.

The **beneficiary's Retirement Account** will receive the first payment of **dependant's** income on the next payment date after confirmation of your death or as soon as practicable after. The **dependant's** income will stop on the death of the **dependant** (if there is also a guaranteed income period, payments of the guaranteed income will continue to the end of that period, if later (see section below)). The final regular income generation date will be the one immediately before the date of the **dependant's** death (or immediately before the end of any guaranteed income period if later). If the first income payment generated under the **Guaranteed Annuity** was on a proportionate basis (see D4) and if the **dependant** dies before the end of any guaranteed income period, a corresponding partial payment will be made on the following income generation date to ensure full payment is made.

#### Guaranteed income period

When you instruct us to buy a **Guaranteed Annuity** you can, at that time, choose to include a guaranteed income period for the **Guaranteed Annuity**. The guaranteed income period can be any number of whole years up to 30 years. If you should die before the end of the guaranteed income period selected, on your death we will set up a **beneficiary's Retirement Account** for a **beneficiary** and the **Guaranteed Annuity** income will continue to be paid to the **cash account** of that **beneficiary's Retirement Account** on the same basis as originally selected until the end of the guaranteed income period, unless your **beneficiary** opts to commute the guaranteed income period (see below).

If when you instructed us to buy the **Guaranteed Annuity** you selected the benefit option of a **dependant's** income, and the named **dependant** is still alive, then any guaranteed income payments will always be payable to the **cash account** of the **beneficiary's Retirement Account** set up for that person. Should the named **dependant** have died, or die during the guaranteed income period, we

will exercise discretion over who the **beneficiary(ies)** is, and the remaining guaranteed income payments will be paid to the **cash account** of a **beneficiary's Retirement Account** we will set up for that person.

If you have not selected for a **dependant's** income to be paid on your death, then we will have discretion to decide who the **beneficiary(ies)** will be, and the **Guaranteed Annuity** payments for the remainder of the guaranteed income period will be paid to the **cash account** of the **beneficiary's Retirement Account** set up for that person(s).

The **beneficiary** receiving the remaining guaranteed income period payments can choose to take income payments from the **cash account**. Or they may decide to invest the monies in the **cash account** in a selection of **investment funds** (see section C1).

Where you have opted for both a guaranteed income period and a **dependant's** income, the income payable for any residual guaranteed income period is the level of your income. When the guaranteed income period ends the income from that point will be the chosen level of the **dependant's** income. In other words, the **dependant** will not receive the full value of both the guaranteed income period payments and the **dependant's** income at the same time.

If you have died before the end of the guaranteed income period, the final **Guaranteed Annuity** income generation date shall be the **Guaranteed Annuity** income generation date immediately before the end of the guaranteed income period. If the first income payment generated under the **Guaranteed Annuity** was on a proportionate basis, a corresponding additional payment will be made on the following income generation date to reflect this.

### Commutation of the guaranteed income period

If you select a guaranteed income period (see the section above), then your **beneficiary(ies)** will be able, at the point there becomes an entitlement to the benefit, to choose to exchange any outstanding guarantee income instalments for a lump sum.

Where a **dependant's** income option has also been selected, only the income generation that is guaranteed over and above the **dependant's** own income entitlement can be exchanged for a lump sum. If the **dependant's** income selected is 100% of your pension, then a lump sum will not be available.

Any lump sum will be calculated by Retirement Advantage and will take into account the remaining guaranteed period, current income level, income generation frequency, any increases, and the economic conditions at the time. The lump sum

will represent the discounted value of future payments and will be less than the sum of all payments. This option is also subject to being compliant with current regulations which may change over time.

### Money back guarantee

When you instruct us to buy a **Guaranteed Annuity**, if you chose not to include a guaranteed income period (see section above), you can, at that time, choose to include a money back guarantee.

You can select at outset a money back guarantee percentage (up to a maximum of 100% of the purchase price). On your death (or on the later of your death and your **dependant's** death if the **dependant's** income option is chosen), a lump sum may be payable to the relevant **cash account**.

The lump sum will be your chosen money back guarantee percentage, as shown in the relevant **Guaranteed Annuity schedule of benefits**, multiplied by the original **Guaranteed Annuity** purchase price less the total gross income generation instalments (including **dependant's** income if the **dependant's** income is chosen) made to date.

## E2. Providing for benefits on the death of your beneficiary(ies) or their successor(s)

Noted below are the different benefits that may be paid out on the death of your **beneficiary(ies)** or their **successors**.

### E2.1. Any residual Drawdown fund

If a **beneficiary** or a **successor** dies before all of their **Pension Drawdown** funds in their **beneficiary's Retirement Account** have been exhausted, then their **successors** can, subject to meeting our eligibility requirements and any relevant legal requirements in each case:

- take a lump sum representing the remaining **Pension Drawdown** funds;
- buy an annuity from Retirement Advantage or any other annuity provider; or
- set up a **beneficiary's Retirement Account** (subject to the required **minimum Retirement Account value** (A.11)) and, if they choose to do so, take income from the **Retirement Account** (see section E4.2).

Or a combination of these three options.

### E2.2. Continuation of a guaranteed income period

If your **beneficiary(ies)** die before the end of a guaranteed income period (set up under the



**Guaranteed Annuity** you instructed us to buy), then the outstanding guaranteed income period payments will continue to be paid until the end of the guaranteed income period to the **cash account** of a **successor's beneficiary's Retirement Account**. The **successor** can choose to take income payments from the **cash account**. Or they may decide to invest the monies in the **cash account** in a selection of **investment funds** (see section C1).

The **successor** may be able, at the point there becomes an entitlement to the benefit, to choose to exchange any outstanding guarantee income instalments for a lump sum (see section E1.2 above).

### E3. Choosing dependants, beneficiaries and successors

#### E3.1. Named dependant

On instructing us to buy a **Guaranteed Annuity**, you can choose for the **policy** to include a **dependant's** income payable to a named **dependant**. This, together with any remaining guaranteed income instalments (if you also selected a guaranteed income period) will be paid to the **beneficiary's Retirement Account** set up for that person (see section E4.2).

Your named **dependant** must be:

- your spouse or civil partner when the **Guaranteed Annuity** is purchased; or
- an unmarried partner who is living with and financially dependent (or interdependent) on you when the **Guaranteed Annuity** is purchased.

#### E3.2. Beneficiary nomination

You can nominate one or more individuals to receive on your death:

- any remaining **investment funds**;
- any remaining **Guaranteed Annuity** money back guarantee amount; and
- any remaining **Guaranteed Annuity** income instalments in a guaranteed period (unless you have chosen a named **dependant** to receive any **dependant's** income, in which case the named **dependant** will also receive any guaranteed income payments).

We have discretion over the exact form of benefits and the **beneficiary(ies)** who will receive them.

You can nominate who you would like to receive benefits following your death. Any nomination you make this way is not binding on us but will be

considered carefully. You can change your nominations at any time by instructing us.

#### E3.3. Nomination of a successor

Your **beneficiary(ies)** can nominate **successors** to receive on their death:

- any remaining **Pension Drawdown** funds (applied to provide benefits to your **beneficiaries**); and
- any remaining **Guaranteed Annuity** income instalments in a guaranteed period.

We have discretion over the exact form of benefits and the recipients. Your **beneficiary(ies)** can let us know who they would like to receive benefits following their death by instructing us. Any nomination they make this way is not binding on us but will be considered carefully. The **beneficiaries** can change their nominations at any time by instructing us.

### E4. If we are advised of your death

#### E4.1. Notification of death

When we are notified of your death, we will stop the payment of any income and any ongoing adviser fees and stop **Guaranteed Annuity** generation into your **cash account**.

We will not pay any benefits following your death until we have received evidence we reasonably require confirming your death and the identity of the person(s) to whom the benefit will be paid.

After we've received confirmation of your death, we'll sell all of the **units** held for you in **investment funds** other than the **cash account** and use the proceeds to purchase additional **units** in the **cash account**. Requests to sell **units** are placed within five working days of receiving all documentation. We will also use any money back guarantee to purchase **units** in the **cash account**.

Payments made in error due to a delay between death and death confirmation must be returned to us to be added to the **cash account** for distribution to your **beneficiary(ies)**. Income generated from any **Guaranteed Annuity** paid into the **cash account** since death will be deducted from the **cash account**, or if the value of the **cash account** is insufficient we will require repayment of any overpaid income payments made in error.

Once the proceeds from the sale of any assets have been received, including any money back guarantee and any commutation lump sum of guaranteed

income period, and any overpaid income has been returned, we will distribute the benefits to your **beneficiary(ies)**. If overpaid income is not returned then the amount available for your **beneficiary(ies)** will be adjusted accordingly. **Beneficiary(ies)** can choose to take an immediate lump sum or invest funds into a **beneficiary's Retirement Account**.

## E4.2. Beneficiary's Retirement Account

A **beneficiary's Retirement Account** will be set up if, subject to meeting relevant legal requirements in each case:

- there is any residual fund (subject to the required **minimum Retirement Account value** (A.11)) and your **beneficiary(ies)** have chosen not to take the whole residual fund as an immediate lump sum; and/or
- you instructed us to buy a **Guaranteed Annuity** and you selected one or more of the following benefit options:
  - guaranteed income period that has not been commuted; or
  - **dependant's** income.

Any income or lump sums generated from the **Guaranteed Annuity** will be paid to the **cash account** of the **beneficiary's Retirement Account**. The **beneficiary(ies)** can choose to take income payments from the **cash account**. Or they may decide to invest the monies in the **cash account** in a selection of **investment funds**.

If not taken as a lump sum, any residual **Pension Savings** funds on your death will be **crystallised** as **Flexi access drawdown** within the **beneficiary's Retirement Account**.

### Minimum age

The **beneficiary(ies)** does not currently have to have attained a minimum age for a **beneficiary's Retirement Account** to be set up. We can introduce a minimum age in future. If we do so details of the minimum age will be set out on our website.

### Payments

The **beneficiary** can, subject to meeting relevant legal requirements in each case, take income payments from their **beneficiary's Retirement Account**. Payments will be made from the **cash account** (see Part B).

We set a minimum amount for both regular and ad-hoc payments of income that can be paid out to your **beneficiary(ies)**. Details of the minimum amounts can be found on our website.

The **beneficiary(ies)** can ask us to use some of the **Pension Drawdown** funds to buy a **Guaranteed Annuity**. However, we set a minimum age of 55 before they can do this (or 50 if they have entitlement to a protected age).

### Transfer of a beneficiary's Retirement Account

The **beneficiary(ies)** can transfer their **Pension Drawdown** funds (including the **cash account**) within their **Retirement Account** to:

- A **registered pension scheme**;
- An annuity provider; or
- A qualifying recognised overseas pension scheme.

We will create a new arrangement to hold the **Pension Drawdown** funds which they wish to transfer. They will then be transferred to the specified pension plan they have chosen.

# General rules

## F1. Law and regulations

These **terms and conditions** outline our understanding of the law and regulations applicable to your **Retirement Account** at the date of issue. It is important to understand that, like all legislation, the tax treatment and other provisions could change in the future.

## F2. Interpretation

If any provision of these **terms and conditions** is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not in any event be affected or impaired.

References to any legislation or any provision of it include references to any secondary legislation made under it.

References to any legislation (whether primary or secondary) or any provision of it include references to any previous legislation or provision relating to the same subject-matter or to any modification or re-enactment of it for the time being in force.

## F3. Legal information

Retirement Advantage is a trading name of **MGM Advantage Life Limited**. Registered no. 08395855. Our Registered office is at Retirement Advantage, 110 Cannon Street, London EC4N 6EU. Retirement Advantage is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. We shall classify you as a 'Retail Client' for the purposes of the rules of the Financial Conduct Authority.

## F4. Language

The language in which your **Retirement Account** is supplied is English and this is the language in which we shall communicate with you.

## F5. The law that applies to your Retirement Account

The law that applies to your **Retirement Account** is English law. You, the **trustee** and we agree to submit to the non-exclusive jurisdiction of the English Courts.

## F6. Currency, residency and place of payment

You must be resident in the United Kingdom when you apply for the **Retirement Account**, and at the

**Retirement Account start date**. Any payments into or out of your **Retirement Account** will be made in the United Kingdom in the currency of the United Kingdom and any payments to you will be made only via a bank or building society registered in, or with an office in the UK where you are the account holder or a joint account holder.

Please note we are not able to accept new transfer payments from customers living overseas. If you move abroad and are no longer a resident of the UK this will affect your ability to make additional transfers into your **Retirement Account**.

## F7. Initial Information

Before we crystallise any benefit under your **Retirement Account**, **HMRC** rules require certain checks to be completed to establish whether a lifetime allowance charge is due. We (or the **trustees** or administrator of the scheme making a payment to us on your behalf) will require confirmation that the value of all your benefits

- already paid to you; and
- in payment to you

from all **registered pension schemes**, including from your **Retirement Account**, will not attract a lifetime allowance charge.

We cannot accept any liability if it is later discovered that you have become liable to pay a lifetime allowance charge.

We make every effort to ensure that we set up and administer your pension correctly. However, if a mistake is made we will endeavour to correct errors found as soon as possible.

## F8. Dealing with this Retirement Account

Depending on the claim being made or the change required, we will need to see certain documents when we are dealing with your **Retirement Account**. We will let you know what we need at the relevant time. Documents we will need to see include, for example:

- evidence of age
- proof that you or any other individual is entitled to receive payments under this **plan**.

We use electronic means to obtain the proof.

## F9. Instructions

We will act on instructions from you (or your Power of Attorney if one has been appointed) in relation to both your **Retirement Account**, and your personal details. We will also act on instructions in relation to your **Retirement Account** from your financial adviser (providing you have authorised them to provide instructions on your behalf and we have received written evidence of this). Instructions include, but are not limited to, notices, **application** forms, benefit options and nominations. Unless otherwise agreed by us, instructions are not effective until actually received by us at the address shown in the enquiries section on page 2.

We will refuse to act on any instructions:

- which are unclear;
- where we doubt their authenticity;
- where we believe or suspect they may place us in breach of any legislation or law; or
- where we believe or suspect they relate to fraud, market abuse or any other criminal act.

Our communications will normally be in writing direct with you or via your financial adviser.

You authorise us and the **trustee**:

- to rely on, and treat as fully authorised and binding on you, any decision or instruction which purports to have been given by you without further enquiry by us, and
- to accept such an agreement as genuine, without the need for further investigation as to the authority or identity of the person giving, or purporting to give, such an agreement provided the instructions have been received in good faith and without negligence.

## F10. Notices to You

You and your **dependant** and **beneficiary**, and any **successor** your **beneficiary** nominates, must give us an address to which we will send any notices. These notices will be treated as having been received by you, or by your **dependant** or **beneficiary** after your death, or your **beneficiary's successor** after their death, two working days after posting (excluding Sundays and Bank Holidays).

Changes in address need to be notified to us promptly.

## F11. Variation of the terms of the Retirement Account

- i. We can change your **Retirement Account** (including the **terms and conditions** and

Technical Summary), for any of the following reasons:

- to respond proportionately to changes in general law or decisions of the Financial Ombudsman Service or the Pensions Ombudsman or the Financial Services Compensation Scheme;
  - to respond proportionately to a court order or decision affecting the **plan** or **Retirement Account**;
  - to meet regulatory requirements;
  - to reflect new industry guidance and codes of practice;
  - to reflect a change in our corporate structure that does not have a significant unfavourable impact on your rights under the **Retirement Account** but which does require us to make certain changes to the terms of the **plan** or **Retirement Account**;
  - to respond proportionately to changes in the terms or charges of any **investment fund**;
  - to respond proportionately to changes in relevant market rates or indices or tax rates;
  - to reflect proportionately other legitimate cost increases or reductions associated with providing the **plan** and **Retirement Account**;
  - to provide for the introduction of new or improved systems, methods of operation, services or facilities; or
  - to correct any mistake in the **terms and conditions**, provided the correction does not have a significant unfavourable effect on rights that you have as a result of the mistake;
  - to reflect the appointment by us of alternative third parties to provide services under the **plan** or **Retirement Account** or to respond proportionately to changes in the **terms and conditions** or charges of any third parties appointed in respect of the **plan** or **Retirement Account**.
- ii. We will give you notice of any change under F11(i) in advance where practicable, or at the earliest opportunity after the change where advance notice is not practicable.
  - iii. We can change your **Retirement Account** (including the **terms and conditions** and the Technical Summary) if we have any other valid reason for doing so.
  - iv. We do not charge for transferring out your **Retirement Account** if we make a change under F11(iii) and we receive your written request to transfer within 30 days of the notice we sent you about the change.

Although we do not charge for the transfer in these circumstances, any outstanding charges are still payable and any fees, charges and costs for cashing in or selling investments are still charged. Where practicable we will give you at least 30 days' notice of any change under (ii).

- v. Any changes we make to your **Retirement Account** will not have the effect of reducing the level of payments made from any **Guaranteed Annuity investment policies** held by your **Retirement Account** except in the case of implementing a pension sharing order on divorce or if we are required by law to make a reduction.

## F12. Complaints

We hope you will never need to, but if you ever wish to complain about any aspect of the service you receive from us, please first of all contact our Customer Service Centre:

**Address:** Retirement Advantage Customer Centre, PO Box 4993, Worthing, BN99 4AE

**Web:** [www.retirementadvantage.com](http://www.retirementadvantage.com)

**Email:** [customers@retirementadvantage.com](mailto:customers@retirementadvantage.com)

**Phone:** 0800 032 7690 - 8am to 6pm Monday to Friday

Please quote your **Retirement Account** number(s) (shown in your **schedule(s) of benefits**).

If you or your **beneficiaries** are not satisfied with our response to your complaint, you will be able to take the complaint to the Pensions Advisory Service (TPAS), 11 Belgrave Road, London SW1V 1RB or to the Pensions Ombudsman, at the same address.

You or your can also refer any complaint to the Financial Ombudsman Service, Exchange Tower, London E14 9SR.

The services of TPAS, the Pensions Ombudsman and Financial Ombudsman Service are free for anyone taking a complaint to them and your legal rights will not be affected if you subsequently decide not to accept their findings.

The contact details for these organisations are:

**The Pensions Advisory service:** 0300 123 1047  
**Web:** [pensionsadvisoryservice.org.uk](http://pensionsadvisoryservice.org.uk)

**Pensions Ombudsman:** 020 7630 2200  
**Web:** [pensions-ombudsman.org.uk](http://pensions-ombudsman.org.uk)

**Financial Ombudsman Service:** 0800 0234 567  
**Web:** [financial-ombudsman.org.uk](http://financial-ombudsman.org.uk)

## F13. Payments made by us

We will not make any payments until all our reasonable requirements (referred to in sections F6, F7 and F8 above) have been met.

We will make payments by direct credit or any other method we agree. We will not make any payments in cash.

We will make the payment to you.

Should we need to change our agreed methods of payment in the future, for example because of changes in banking requirements or circumstances beyond our control. If practical, we will give you three months' notice should a change be required.

## F14. Unauthorised payments

Notwithstanding any provision to the contrary, nothing in this **Retirement Account** can require us to make an **unauthorised payment** and we shall have no liability to you in respect of any **unauthorised payment** that is made.

## F15. Taxation

We deduct from payments made under your **Retirement Account** any tax or levy that we or the **trustee** are required or entitled to deduct in accordance with law or **HMRC** requirements. Any income payments you receive from your **Retirement Account** are taxed under the pay as you earn system. We and the **trustee** are not liable for any loss that you incur as a result of the use of an incorrect tax code. We can also deduct any taxation or levy for which we or the **trustee** might be accountable in accordance with law or **HMRC** requirements until our or the **trustee's** liability has settled - any remaining amount deducted from any proposed payment will be paid out by us following settlement of the liability.

We deduct from the relevant part of your **Retirement Account** any tax (including any charges relating to **unauthorised payments**) or levy imposed on us or the **trustee** that relates to the relevant arrangement(s). If a tax or levy is imposed on us or the **trustee** in respect of the **plan** as a whole, we allocate such proportion of the tax or levy to your **Retirement Account** as we consider reasonable.

## F16. Events or circumstances beyond our control

We shall not be liable to pay any compensation for

loss due to an event or circumstance beyond our control including, but not limited to, any one or more of:

- act of God, earthquake, storm, flood, lightning, fire, explosion or similar natural events;
- power failure;
- failure or disruption of a computer system or other equipment, including electronic mail systems and telecommunications;
- failure or disruption of any relevant stock exchange, including depositories, settlement systems or markets;
- strike, lockout, other industrial action or other interference with work;
- nationalisation, expropriation, prohibition, intervention, direction or embargo;
- imposition by any governmental or quasi-governmental authority of currency restrictions, exchange controls or other charges or restraints affecting your **Retirement Account** or the investments and assets allocated to it;
- inability or delay in obtaining governmental or quasi-governmental approval, consent, permit, licence, authority or allocation;
- intervention by an exchange or regulator; or
- act of war (declared or undeclared), terrorism, insurrection, revolution, civil disturbance, riot, blockade or other disturbance.

## F17. The Proceeds of Crime Act 2002

The Proceeds of Crime Act 2002 (or any subsequent legislation that replaces this Act) requires us to report any dealing suspected of involving the proceeds of crime to the National Crime Agency. In such circumstances we are prevented by the Act from discussing such reports with you. If there is any delay in acting on your instructions or paying benefits as a result of any restrictions placed upon us by the Act, we will not be liable to any person for any loss this may cause.

## F18. Third Party Rights

This **Retirement Account** does not confer any rights on any other person or body other than the parties to the **Retirement Account**. No other person or body shall have rights pursuant to the Contracts (Rights of Third Parties) Act 1999 to enforce any terms under this **plan**.

## F19. Financial Services Compensation Scheme

The Financial Services Compensation Scheme (FSCS) was established under the Financial Services and Markets Act 2000 and was set up to provide protection to customers if authorised financial services firms are unable to meet claims against them. The **Retirement Account** is classed as a

long-term contract of insurance and you will be eligible for compensation under the FSCS if Retirement Advantage becomes unable to meet its claims. The cover is normally 100% of the value of your claim.

However, if you have **unit**-linked investments, in the limited circumstances where the underlying fund manager is unable to meet its obligations, you would not be eligible to make a claim for compensation under the FSCS. Retirement Advantage is not eligible to make a claim so the **unit price** of our fund will depend on the amount that we recover from the firm.

For further information about the FSCS please check their website [www.fscs.org.uk](http://www.fscs.org.uk) or call them on 0800 678 1100.

## F20. Data protection

The information we collect from you will be processed in accordance with the Data Protection Act 1998 (“the Act”) and any **successor** legislation. All reference to “Personal Data”, “Sensitive Personal Data”, “Data Subject” and “Processing” shall have the meaning as set out in the Act.

Reference to “your information” and “your personal data” shall mean Personal Data and or / Sensitive Personal Data (such as medical data), that is disclosed to us, for which an identifiable individual (Data Subject) is the focus. The information provided to us may be used:

- To provide any requested product or service and to deal with any enquiries and requests we may receive;
- To underwrite and administer a Retirement Advantage product;
- For research and statistical analysis; and
- For the purposes of complying with applicable legal and regulatory obligations.

If personal information is submitted about another person, then by signing this form, you confirm that they have consented to providing their information to Retirement Advantage and for the information to be used and shared as set out in this notice.

## Sharing Personal Data

Where necessary and only for the purposes mentioned above, information (including your medical data) may be shared with:

- Other companies within the group of Retirement Advantage companies and any future owners of our business and/or affiliates;
- Service providers of Retirement Advantage, such as reinsurers, third party administrators,

professional advisors, tracing agencies and/or research companies;

- Doctors or any relevant medical professional;
- With credit agencies (for the purpose of identification verification);
- Agencies and third parties for the purposes of preventing, detecting or investigating financial crime; and/or
- Regulators or such authority if required to do so by law or by any court order or if Retirement Advantage has consent to do so.

The information provided in this form will be held securely and will not be held for longer than is necessary. There may be a scenario where the information could be processed outside of the European Economic Area (EEA). In this situation we confirm that only the minimum amount of data will be processed, and appropriate security measures in accordance with the Act will be applied.

### Further Information

The Act provides individuals (Data Subjects) with various rights including the right to be told what Personal Data is held by Retirement Advantage and the right to request that any inaccuracies in respect of their Personal Data are corrected. Should there be any queries regarding Personal Data or individuals rights under the Act, please contact Retirement Advantage's Data Protection Officer in writing at; Retirement Advantage, 110 Cannon Street, London, EC4N 6EU.

### F21. Liability

Subject to (a) below, we and the **trustee** accept responsibility for loss to you arising out of or in connection with your **Retirement Account** only to the extent that such loss is the direct result of our, or the **trustee's** (as appropriate) fraud, negligence or wilful default or that of its directors, officers, employees, contractors or agents.

- a. Neither we nor the **trustee** will be liable to you for any indirect loss, damage, costs or expenses which arise out of or in connection with your **Retirement Account**. However, nothing in these **terms and conditions** will exclude or limit our, or the **trustee's** liability for personal injury or death caused by its negligence or the negligence of its directors, officers, employees, contractors or agents.
- b. Neither we nor the **trustee** will be liable for any loss you may suffer in connection with the investments that are made via the scheme, including any loss which may be incurred as a result of a reduction in the value of those investments.

- c. Neither we nor the **trustee** will be liable for any omissions or errors made as a result of any omissions from or errors in any data, information or evidence provided to us by either you or your financial adviser.
- d. We and the **trustee** give no warranty or undertaking as to the performance or profitability of the funds (or any part of them).

### F22. Assignment

The benefits paid under your **Retirement Account** may not be assigned, and no loans are allowed in relation to the **Retirement Account** or its benefits.

### F23. Long-term business

The benefits arising under your **Retirement Account** are part of our "long-term business" within the meaning of the Finance Act 2012.

### F24. Pensions business

The **Guaranteed Annuity** is classed as pensions business under section 58 of the Finance Act 2012 (or any subsequent legislation that replaces this Act). The purchase price of your **Guaranteed Annuity** must relate to pension business in the way described in section 58 of the Finance Act 2012. If we discover that the purchase price did not meet these requirements, we may modify the **Guaranteed Annuity policy** in whatever way is necessary to ensure that **HMRC** does not impose any penalty on us.

### F25. Waiving a Term or Condition

If we fail to insist that you perform any of the obligations under your **Retirement Account**, or if we do not enforce our rights against you, or if we delay in doing so, that will not mean that we have waived our rights against you and will not mean that you do not have to comply with those obligations. If we do waive a default by you that will not mean that we will automatically waive any later default by you.

### F26. Severability

Each of the paragraphs of these **terms and conditions** operates separately. If any court or relevant authority decides that any of them are:

- i. unlawful, the remaining paragraphs remain in full force and effect;
- ii. unfair it, as far as possible, still applies but without any part which could cause it to be held, viewed or considered unfair.

## F27. Termination

We are entitled to stop receiving other transfers or to close your **Retirement Account** if we deem it appropriate and reasonable to do so. If your **Retirement Account** holds a **Guaranteed Annuity** any closure will be carried out in a manner that protects the benefits provided by the **Guaranteed Annuity**.

We may close your **Retirement Account** either:

- by giving reasonable notice
- without notice where there are serious grounds that require the termination or
- without notice where there is a valid reason for the termination, provided we inform you of this immediately.

Reasons for terminating include but are not limited to, the following situations:

- Following receipt of a court order obliging us to close your **Retirement Account**.
- Your **Retirement Account** has a balance of less than the **minimum Retirement Account value** (see section A11). Details of the **minimum Retirement Account value** can be found on our website. (see section A11)
- You are using your **Retirement Account** for illegal purposes.
- You are not observing these Terms and Conditions or any other documents that apply to your **Retirement Account**.
- Allowing you to transfer in would breach legislation or **HMRC** or FCA regulations.

We will give you notice in advance of our intention to close your **Retirement Account**, we will do this by writing to you, giving you 30 days to respond. We will confirm in writing to you the closure date of your **Retirement Account**. Aside from in respect of an instruction to transfer the balance of your **cash account** to another UK **registered pension scheme** as set out below, we will accept no further instructions from you from the date of the notice.

On the date of closure, all remaining investments will be sold and the proceeds deposited in the **cash account**. After six months the balance of your **cash account** (less the deduction of any outstanding charges) will be paid into your nominated bank account, unless you arrange for it to be transferred to another UK **registered pension scheme** during that period.



# Part G

## Definitions

This section explains what various expressions used in these **terms and conditions** mean. Where they are used they are shown in bold in the text.

**Application** - the form you signed to take out your **Retirement Account**.

**Beneficiary** - the person who will receive some or all of your **Retirement Account** benefits on your death.

**Beneficiary's Retirement Account** - a collection of one or more **policies** held by the **beneficiary** under the **plan**.

**Cash account** - an insured **investment fund** from which all payments - including income payments, charges and adviser fees - relating to the arrangement will be made. Each arrangement in a the **Retirement Account** has a **cash account**.

**Crystallised** - funds that have been designated to be used for retirement benefits.

**Dependant** - this is the named person who will receive any **dependant's** income from a **Guaranteed Annuity** on your death (if that option has been selected), and any remaining income guarantee instalments if this option has also been selected.

**Drawdown arrangement** - One or more arrangements under your **Retirement Account** that consist of **Pension Drawdown** funds and/or **Guaranteed Annuities**.

**Escalation date** - if you have chosen for the amount of income generated by the **Guaranteed Annuity** to increase each year, then the **escalation date** is the day this increase will take place. This is the next income generation date on or after each anniversary of the **Retirement Account start date**.

**Flexi access drawdown** - drawing amounts as income from a **drawdown arrangement** whilst keeping the funds in the **drawdown arrangement** invested, with no limit on the amount that can be withdrawn (until the **drawdown arrangement** is exhausted).

**Guaranteed Annuity** - this is an investment **policy** bought by the **trustee**, on instruction from you, and held within your **Retirement Account**. A lifetime income will be generated from the **Guaranteed Annuity policy** and paid into the **cash account** for the **drawdown arrangement** which holds the **Guaranteed Annuity policy**.

**Guaranteed Annuity start date** - this is the date the **trustee** buys the **Guaranteed Annuity** and is

five working days following the later of:

- there being sufficient funds in the **cash account**; and
- receipt of all relevant information.

The **Guaranteed Annuity start date** will be different to the **Retirement Account start date**.

**HMRC** - this means Her Majesty's Revenue and Customs.

**Insurer** - means Retirement Advantage, which is a trading name of MGM Advantage Life Limited, as the **insurer** of the **policy**.

**Investment fund** - means the notional **unit-linked** fund or funds established and maintained by the **insurer** or other fund managers chosen by us, which the **insurer** makes available from time to time for investment under the **Pension Drawdown** and (if you are a **member**) **Pension Savings** parts of your **Retirement Account**.

**Member** - means the individual named as **member** in the **schedule of benefits**.

**Minimum Retirement Account value** - means the minimum value that must be held in our **Retirement Account** where there is no **Guaranteed Annuity**. The current minimum can be found on our website.

**Minimum crystallisation amount** - means the minimum amount of **Pension Savings** that must be **crystallised** into **Pension Drawdown**. The current minimum can be found on our website.

**Minimum drawdown value** - means the minimum value that must be held in **Pension Drawdown** where there is no **Guaranteed Annuity**. The current minimum can be found on our website.

**Pension commencement lump sum** - the lump sum that can be taken from a **registered pension scheme** that is tax free when a **member's** funds are designated to provide benefits. Usually the **pension commencement lump sum** is up to 25% of the fund designated.

**Pension Drawdown - Crystallised** funds that are held within your **Retirement Account** and that are designated as **Flexi access drawdown** funds for the purposes of the Finance Act 2004.

**Pension Savings - Uncrystallised** funds held within your **Retirement Account**.

**Plan** – the Retirement Advantage Pension **plan**, which is the **registered pension scheme** under which your benefits are provided.

**Plan rules** – means the documents (as amended from time to time) which govern the **plan**.

**Policy** – the insurance **policy** or **policies** issued to the **trustee** by MGM Advantage Life limited as **insurer**.

**Quotation guarantee period** - means the period of time a quotation is valid for, which is referenced to the date of a Retirement Advantage change in annuity rates.

**Registered pension scheme** – a pension scheme registered under Part 4 of the Finance Act 2004 (or any subsequent legislation that replaces this Act).

**Retirement Account** – means the legal agreement between you and us, described at the start of this document.

**Retirement Account start date** – the date that your **Retirement Account** comes into force and is the date we accept your **application**.

**Schedule of benefits** – the schedule we issue to you when we:

- accept your **application** for a **Retirement Account**;
- (if you are a **member**) accept a transfer payment for your **Retirement Account**;
- (if you are a **member**) make a new arrangement under your **Retirement Account**;
- as **insurer**, issue a **Guaranteed Annuity** to be held for your **Retirement Account**

together with any amendments to it.

**Successor** - the person who will receive any remaining **beneficiary(ies) Retirement Account** benefits on the **beneficiary(ies)** death. Your **beneficiary(ies)** can nominate someone (or some people) to be their **successor(s)**. There are no rules on who they can nominate. Any nomination they make is not binding on us but will be considered carefully.

**Terms and conditions** – is this document, which explains how your **Retirement Account** works, and forms part of the legal agreement between you and us.

**Trustee** – the legal owner of the **policy/policies** of your **Retirement Account**, and means Trustee Solutions Limited, or any **successor** appointed under the **plan rules**.

**Unauthorised payment** – is defined in section 160 of the Finance Act 2004. Broadly, it is any type of payment which if made would give rise to an **unauthorised payment** tax charge under the Finance Act 2004 (or any subsequent legislation that replaces this Act).

**Uncrystallised** - funds that have not been designated to be used for retirement benefits.

**UK Resident** - a person or individual that is resident in the United Kingdom with a United Kingdom bank account.

**Units** – means a notional share of an **investment fund** used for working out the value of a **Retirement Account**.

**Unit price** – the value of a **unit** calculated in accordance with Section C2.

# About Retirement Advantage

Retirement Advantage is a trading name of MGM Advantage Life Limited. MGM Advantage Life Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, registration number 598800.

You can check these details at:

- [www.fca.org.uk/register](http://www.fca.org.uk/register); or
- by calling 0800 111 6768 or 0300 500 8082.

