

The Aegon SIPP terms and conditions and basic scheme information

31 December 2022

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Introduction

Additional Aegon SIPP terms and conditions

This is the separate document referred to in the Aegon Platform **terms and conditions** that details the **additional Aegon SIPP terms and conditions** that apply specifically to the **Aegon SIPP** provided by Scottish Equitable plc.

The words and phrases in bold in Part 1 of this document are terms defined in the Aegon Platform **terms and conditions** or in these **additional Aegon SIPP terms and conditions**.

Where **you** have applied to take out an **Aegon SIPP**, the Aegon Platform **terms and conditions** and these **additional Aegon SIPP terms and conditions** along with **your**:

- application(s);
- declaration(s) included in the application process, and
- confirmation of investment – contract note that **we** send **you**,

form **your** contract with **us** for the **Aegon SIPP**.

These **additional Aegon SIPP terms and conditions** should be read in conjunction with Part 1 of the Aegon Platform **terms and conditions**, which details the terms and conditions that apply to **the Service** in relation to the **products**.

These **additional Aegon SIPP terms and conditions** will override the Aegon Platform **terms and conditions** if the terms conflict.

This document is made up of the following parts:

Part 1

Additional Aegon SIPP terms and conditions

Part 1 of these **additional Aegon SIPP terms and conditions** are the terms and conditions that apply to the Aegon SIPP.

Part 2

Basic scheme information section

Part 2 of these **additional Aegon SIPP terms and conditions** contains basic scheme information.

Part 1

Terms and conditions

These are the additional Aegon SIPP terms and conditions that apply to the Aegon SIPP.

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1. Definitions

General items to note

The defined terms in this **additional Aegon SIPP terms and conditions** document, except where defined below, are to be interpreted as set out in the Aegon Platform **terms and conditions**.

Where **we** use the masculine form of a word, it also includes the feminine. The opposite also applies.

Words in the singular include the plural. The opposite also applies.

Where **we** refer to a piece of legislation, **we** also refer to any amendment or re-enactment of the legislation. **We** also refer to any regulations made under the legislation (and that includes any corresponding provisions in force in Northern Ireland where applicable).

Where 'Aegon', 'we', 'us' and 'our' are used, it refers to Scottish Equitable plc.

Additional Aegon SIPP terms and conditions – means these terms and conditions and any changes made to them in accordance with condition 13.6 of the Aegon Platform **terms and conditions** from time to time.

Annual allowance – means the annual limit, set by HMRC and as described in the Finance Act 2004, of tax advantaged contributions or increase in value of **your** pension rights. For this purpose, all of **your** pension arrangements in **registered pension schemes** are taken into account. Contributions or increases in pension rights in excess of the annual allowance will give rise to a tax charge. A reduced money purchase annual allowance or a tapered annual allowance may apply to **you** depending on **your** circumstances.

Benefit crystallisation event – means an event or occurrence at which **we** must test **your Aegon SIPP** benefits being taken against **your lifetime allowance**. The events and occurrences when **we** must apply this test are set out in legislation. The amount which must be tested against **your lifetime allowance** is also determined by legislation.

Block transfer – means the transfer in a single transaction of all the **investments** held under the pension scheme from which the transfer is made, which relate to at least two members of that pension scheme.

Capped drawdown – means a **drawdown pension** arrangement set up before 6 April 2015, withdrawals from which are subject to certain

limits determined in accordance with legislation and is not a **flexible drawdown** arrangement or a **flexi-access drawdown** arrangement, and is described in paragraphs 8 and 22 of schedule 28 to the Finance Act 2004.

Crystallise – is what happens to **your Aegon SIPP** on certain **benefit crystallisation events**. It can apply to different parts of **your Aegon SIPP** at different times. This is more fully described in condition 9 of these **additional Aegon SIPP terms and conditions**.

Crystallised – means that part of **your Aegon SIPP** that has been through a **benefit crystallisation event** that has resulted in **your Aegon SIPP** crystallising.

Dependant – means in relation to the **scheme** a dependant as defined in the **rules** and paragraph 15 of schedule 28 of the Finance Act 2004 which, at the date of issue of these **additional Aegon SIPP terms and conditions**, means any of the following:

- i. a person who was married to, or a registered civil partner of the **member** at the date of the **member's** death;
- ii. for the purposes of a dependant's annuity, and subject to such further conditions as the **scheme administrator** may require from time to time, a person who was married to, or a registered civil partner of the **member** when the **member** first became entitled to a pension under the **scheme**;
- iii. a dependent child (as defined in the **rules**); and
- iv. any other dependant (as defined in the **rules**), including any person who was a dependant under the rules of any other **registered pension scheme** and whose entitlements in that capacity have been transferred to the **scheme** by virtue of becoming a **survivor** member (as defined in the **rules**).

Drawdown pension – means a drawdown pension as defined in paragraph 4 of part 1 of schedule 28 to the Finance Act 2004. Broadly speaking, it is the payment of a pension directly from the funds in **your Aegon SIPP**. This will be **flexi-access drawdown**.

Flexi-access drawdown – means:

- i. a new **drawdown pension** arrangement set up on or after 6 April 2015;
- ii. a **flexible drawdown** arrangement that was converted to flexi-access drawdown, or

- iii. a **capped drawdown** arrangement which has either been converted to flexi-access drawdown following **our** acceptance of **your** request to that effect or has become a flexi-access drawdown arrangement through an error that cannot be rectified.

Flexi-access drawdown is described in paragraph 8A and 22A of schedule 28 to the Finance Act 2004.

Flexible drawdown – means a **drawdown pension** that was set up before 6 April 2015 but unlike **capped drawdown**, with no limit on the amount which could be withdrawn each year.

Lifetime allowance – means the overall limit on the value of tax-privileged savings that any one individual can have under all of their **registered pension schemes** throughout their life. Benefits paid in excess of the allowance may be liable to a tax charge as described in section 214 of the Finance Act 2004. For the avoidance of doubt, this includes any personal lifetime allowance under the Finance Act 2004.

Member – means the individual named in **your** confirmation of application.

Pension commencement lump sum – means the lump sum **you** can take from **your Aegon SIPP** when **you** first start taking pension benefits from all or part of **your Aegon SIPP**. If it satisfies certain conditions, this lump sum can be paid free of income tax. The conditions are set out in paragraphs 1 to 3A of schedule 29 of the Finance Act 2004.

QROPS – means a Qualifying Recognised Overseas Pension Scheme.

Registered pension scheme – means a pension scheme registered with **HMRC** under chapter 2 of part 4 of the Finance Act 2004.

Relevant UK earnings – means earnings as defined in section 189 of the Finance Act 2004. It includes:

- i. employment income such as salary, wages, bonus, overtime and commission that is chargeable to tax;
- ii. income derived from the carrying on or exercise of a trade, profession or vocation that is chargeable to tax;
- iii. income arising from patent rights and treated as earned income, and
- iv. general earnings from an overseas Crown employment which are subject to tax.

Where relevant UK earnings are not taxable in the United Kingdom due to a double taxation agreement, those earnings are not regarded as

chargeable to income tax and so will not count towards the annual limit for tax relief on pension savings.

Relevant UK individual – means individuals defined in section 189 of the Finance Act 2004. They include:

- i. an individual with **relevant UK earnings** chargeable to income tax for that year;
- ii. an individual resident in the United Kingdom at some time during that year;
- iii. an individual who was resident in the United Kingdom both at some time during the five tax years immediately before that year and when the individual became a **member** of the **Aegon SIPP**, or
- iv. an individual, or the individual's spouse or registered civil partner, who has for the tax year general earnings from overseas Crown employment subject to UK tax.

Retirement age – means the age chosen by **you** when **you** open **your Aegon SIPP**, as more fully described in condition 2.6 of these **additional Aegon SIPP terms and conditions**.

Retirement benefits – means any one or more of:

- i. **pension commencement lump sum**;
- ii. **UFPLS**;
- iii. **drawdown pension**, or
- iv. any annuity purchased by **your Aegon SIPP**.

Rules – means the rules that govern the **scheme**, as amended from time to time.

Scheme – means the Aegon Self Invested Personal Pension Scheme established by Scottish Equitable plc on 30 September 2011.

Scheme administrator – means Scottish Equitable plc or such other entity appointed as scheme administrator from time to time.

Survivor – means in relation to a deceased **member** any person who in the opinion of the **scheme administrator** is a dependant, nominee or successor of that **member** as described in the **rules** and who has agreed to be bound by the Aegon Platform **terms and conditions** and these **additional Aegon SIPP terms and conditions** for the provision of **flexi-access drawdown**.

Terms and conditions – mean the terms and conditions of the Aegon Platform and any changes made to them in accordance with their terms from time to time.

Trust deed - means the trust deed dated 30 September 2011 by which Scottish Equitable plc established the **scheme**.

UFPLS – means an uncrystallised funds pension lump sum as described in paragraph 4A of schedule 29 to the Finance Act 2004.

Unauthorised payment – means a payment which is described in section 160 of the Finance Act 2004.

Uncrystallised – means the part of **your Aegon SIPP** that has not been through a **benefit crystallisation event**.

Uncrystallised funds lump sum death benefit – means any lump sum that is payable from **your Aegon SIPP** on **your** death from benefits that are **uncrystallised**.

2. General

- 2.1 The **scheme** is a **registered pension scheme**. It has been established for the purpose of providing pension and lump sum benefits.
- 2.2 The **scheme** was established by the **trust deed** and is governed by and administered according to the **rules**.
- 2.3 Scottish Equitable plc is the provider and **scheme administrator** of the **scheme**. Aegon Pension Trustee Limited is the trustee of the **scheme**. We will administer **your Aegon SIPP** in accordance with the **rules** of the **scheme**, the **Aegon Platform terms and conditions** and these **additional Aegon SIPP terms and conditions**.
- 2.4 When **you** open an **Aegon SIPP** **you** become a **member** of the **scheme** and, as a **member**, the **trust deed** and **rules** apply to **your Aegon SIPP**. **You** can obtain a copy of the **trust deed** and the **rules** on request from **us** at the address given in part 2 of these **additional Aegon SIPP terms and conditions**. Where there is any conflict between the **rules** of the **scheme** and these **additional Aegon SIPP terms and conditions**, the **rules** of the **scheme** will override any conflicting provision in these **additional Aegon SIPP terms and conditions**.
- 2.5 When **you** open an **Aegon SIPP**, **we** will provide **the Service** to **you** in accordance with the **Aegon Platform terms and conditions** (as may be overridden by these **additional Aegon SIPP terms and conditions**).
- 2.6 **Retirement age**
When **you** open an **Aegon SIPP**, **you** will have a **retirement age** which will be chosen by **you**. **You** can alter **your retirement age** at any time, however the **retirement age** **you** select must not be before **your** 55th birthday, unless condition 9.1 of these **additional Aegon SIPP terms and conditions** applies to **you**.

We will use **your retirement age** in **retirement benefits** illustrations that show **you** what **your retirement benefits** might be at that **retirement age**. When **you** are getting close to **your retirement age**, **we** will send **you** information about putting **your retirement benefits** into payment. **You** are not required to take **your retirement benefits** at **your retirement age**.

3. Eligibility for the Aegon SIPP

- 3.1 **You** can apply for the **Aegon SIPP** if **you** are 16 years or older. However, if **you** are under the age of 18 and not resident in Scotland, the **Aegon SIPP** application and applicable declarations must be made by **your** parent or legal guardian.
- 3.2 **You** can make **contributions** at any time, however this is subject to condition 15.7 of these **additional Aegon SIPP terms and conditions**.
- 3.3 **You** may only apply for an **Aegon SIPP** if **you** are resident in the UK and are a **relevant UK individual**.
When **you** applied for an **Aegon SIPP**, **you** gave a declaration as part of the joining process confirming **you** meet **HMRC** rules.

This declaration is that:

- i. **you** will inform us if **your** total contributions to all **registered pension schemes** in respect of which **you** are entitled to tax relief exceed:
 - a **your relevant UK earnings**, and
 - b £3,600, if **your relevant UK earnings** are less than £3,600.
- ii. if **you** are no longer entitled to tax relief on **your contributions**, for example if **you** are no longer a **relevant UK individual** or lose eligibility for tax relief on any **contributions** that **you** pay to **your Aegon SIPP**, **you** will inform **us** by the later of:
 - a 30 days after the change, and
 - b 5 April at the end of the tax year in which **your** circumstances change.

The declaration made by **you** also means that **HMRC** rules require **you** to:

- iii. check that **you** are not breaching the limits set by **HMRC** on contributions qualifying for tax relief, and
- iv. tell **us** as soon as possible if **you** move out of the UK.

The granting of tax relief on **your contributions** is a matter between **you** and **HMRC**. What follows is a description of some of the provisions that may apply in connection with that tax relief, and

is included only for information purposes. It is **your** responsibility to check **your** position and proceed accordingly.

Tax relief will only be available in respect of **contributions** paid by **you** or by a third party on **your** behalf (other than **your** employer) during a tax year if **you** are a **relevant UK individual** for that year.

Contributions paid by **you** or by a third party on **your** behalf (other than **your** employer) in excess of £3,600 or **your relevant UK earnings** if higher, will not receive tax relief.

4. Contributions to the Aegon SIPP

4.1 **Contributions** can be made to **your Aegon SIPP** by **you**, **your** employer or a third party on **your** behalf. However before **we** can accept **contributions** paid by another person (including **your** employer) **we** must receive satisfactory evidence of the identity and address of that third party.

4.2 The minimum contribution is £1.

4.3 There is no maximum **contribution** that can be paid into **your Aegon SIPP**. However, **contributions** in excess of **your** current **annual allowance** may attract a tax charge, subject to any unused **annual allowance** **you** may be carrying forward. **You** are responsible for monitoring **your** pension savings against **your annual allowance**. **You** should discuss this with **your intermediary** before making **contributions** to **your Aegon SIPP** in excess of **your annual allowance**. **We** will claim basic rate tax relief on all new **contributions** made before **your** 75th birthday by **you** or by a third party on **your** behalf (other than **your** employer) to **your Aegon SIPP**. If **you** are a Scottish tax payer **we** will claim tax relief on all new **contributions** made before **your** 75th birthday by **you** or by a third party on **your** behalf (other than **your** employer) to **your Aegon SIPP** using the Scottish basic rate of income tax.

The gross amount of such **contributions** (this is the net amount of the **contributions** paid by **you** (or a third party on **your** behalf), together with the tax relief that **we** claim) will be placed within **your cash facility** and invested in line with **your** instructions. **We** will not claim any tax relief on **contributions** made by **your** employer – these are paid to **us** gross.

We may have to repay any tax relief (and pay interest on that tax relief) to **HMRC** because a **contribution** **you** paid to **your Aegon SIPP** does not qualify for tax relief. Where this is the case and the **cash facility** does not hold sufficient funds to repay **HMRC**, **we** will carry out a **forced disinvestment** in line with condition 5.4 of the Aegon Platform **terms and conditions** to realise the sum to be paid to **HMRC**.

4.4 **We** accept no liability for any tax charges or penalties resulting from **contributions** made to **your Aegon SIPP**. **We** will deduct the amount of any such charge, fine or claim from **your Aegon SIPP cash facility** without needing **your** consent to do so. If there are insufficient funds in **your cash facility** to cover any such charge, fine or claim **we** will sell the **investments** in **your Aegon SIPP** in accordance with condition 5.4 of the Aegon Platform **terms and conditions** to the extent necessary to cover such charge, fine or claim. If the value of the **investments** in **your Aegon SIPP** is insufficient to cover the amount of such charge, fine or claim, **you** agree to pay any outstanding amounts to **us**.

4.5 **We** will not be liable in the event that **we** are unable to proceed with an **investment** due to an error or omission of a payment/payment schedule from an employer or third party or due to any delay in a **contribution** or transfer reaching **your cash facility**.

4.6 **We** will accept new **contributions** to **your Aegon SIPP** by way of **re-registration** of **allowable investments** from other providers in accordance with condition 6.6 of the Aegon Platform **terms and conditions**, however **we** will not accept new **contributions** to **your Aegon SIPP** by way of a transfer of shares or **re-registration** of an investment fund. This is also subject to condition 15.7 of these **additional Aegon SIPP terms and conditions**.

5. Allowable investments

You may have a different **investment** choice for **crystallised** and **uncrystallised** funds within the same **Aegon SIPP** product.

6. Transfers in

6.1 **We** can accept transfers from other UK **registered pension schemes**, including pension credits that are granted as a result of pension sharing on divorce. **We** will also consider requests for **us** to accept transfers from recognised overseas pension schemes, subject to **us** agreeing that **we** are able and willing to accept such a transfer, and any conditions that **we** may impose. **We** are under no obligation to accept any transfer request from **you**. **We** will only accept a transfer of safeguarded rights if **you** have received advice, where advice is required by legislation, from a suitably qualified and authorised **intermediary**.

- 6.2 To transfer an existing pension to **your Aegon SIPP**, you must complete the relevant pension transfer authority and obtain a discharge from **your** existing pension provider. You can complete the relevant pension transfer authority online, or in writing where **we** agree to accept such instructions in writing from **you**.
- 6.3 It is **your** responsibility to make sure that the trustees, scheme administrator and/or provider of the existing **registered pension scheme** will allow the pension to be transferred to **your Aegon SIPP**.
- 6.4 **We** accept no liability for any penalties, charges or liabilities arising from the transfer of an existing pension to **your Aegon SIPP**.
- 6.5 **We** will accept transfers in cash and by way of a **re-registration of investments**. **We** can decline to accept any **investments** being transferred by way of **re-registration** if these are not **investments we** allow to be held in an **Aegon SIPP**.
- 6.6 Each transfer will be invested in accordance with **your** investment instructions.
- 6.7 Each separate drawdown-to-drawdown transfer to **your Aegon SIPP** will result in a new **crystallised** arrangement being created within **your Aegon SIPP**.
- 6.8 You may apply new **contributions** or transfers to **your Aegon SIPP** that already contain post 5 April 2006 **crystallised** funds. If the existing **crystallised** funds are in respect of a pension which came into payment before 6 April 2006 you may not apply new **contributions** or transfers to that arrangement.

7. Block transfers

- 7.1 The **scheme** will inherit any scheme protection being block transferred.
- 7.2 You may only apply for a **block transfer** if you have been a **member** of the **scheme** for less than 12 months.
- 7.3 For a **block transfer** to take place, at least two members of the transferring scheme must transfer, at the same time, all their benefits from the transferring scheme to the **scheme**.
- 7.4 At least one of the individuals in a **block transfer** must have a scheme protected pension age or scheme specific lump sum protection.
- 7.5 All **your** benefits (including all the benefits transferred as part of a **block transfer**) in the **scheme** must **crystallise** on the same day for scheme protected pension age or scheme

specific lump sum protection to apply. If **you** transfer in benefits that have already **crystallised**, these will be ignored for this purpose, with any payments from those benefits not being treated as **unauthorised payments**.

- 7.6 Only one **block transfer** in respect of scheme specific lump sum protection is allowed for each **member**. Protection will be lost from any additional **block transfers** to which scheme specific lump sum protection applies.

If **you** have an existing arrangement under the **scheme** (for example, a pension under Aegon Retirement Choices, One Retirement or Retiready) with a retirement age of 55 or above, that retirement age will not be reduced as a result of a **block transfer** with a scheme protected pension age being paid to **your Aegon SIPP**. As benefits must be taken at the same time in order for any protection to apply, this means any protection would be lost.

8. Transfers out

Condition 10.2 of the Aegon Platform **terms and conditions** sets out the general provisions for transferring out. That condition is qualified by this condition 8 of these **additional Aegon SIPP terms and conditions**, for **your Aegon SIPP**.

- 8.1 Where **you** are transferring **your Aegon SIPP**, on receipt of a valid transfer request from the trustees or scheme administrator of a **registered pension scheme** or **QROPS**, **we** will transfer all or some of **your investments** from **your Aegon SIPP** to **your** chosen **registered pension scheme** or **QROPS**. This will involve the sale of all or some of the **investments** held in **your Aegon SIPP** depending on whether **you** have requested a full or partial transfer of **your Aegon SIPP**, unless the transfer is by way of a direct transfer or **re-registration of investments**. **We** are entitled to delay or refuse any transfer until **we** are satisfied that all legal and regulatory requirements for the transfer are met and **we** have received any formal discharge that **we** require. **We** will not accept requests to partially transfer any **drawdown pension** as described in condition 13.10 of these **additional Aegon SIPP terms and conditions**.
- 8.2 **We** will complete all transfers out as soon as is reasonably practicable after receipt and acceptance of all relevant paperwork from **your** chosen **registered pension scheme** provider or **QROPS** and **you**, which complies with these **additional Aegon SIPP terms and conditions**, and **we** have received a correctly completed discharge form.

8.3 We will transfer **your investments** from **your Aegon SIPP** to **your new registered pension scheme provider** or **QROPS** either in cash or through **re-registration of investments**. **Your** transfer may be subject to additional tax charges where **you** request a transfer to a **QROPS**. **You** should speak to an **intermediary** for further information.

8.4 We will make no charge for transferring or re-registering **your Aegon SIPP investments**.

9. Retirement benefits and the lifetime allowance

9.1 **You** have the freedom to decide how **you** use **your Aegon SIPP** at retirement. **You** can take **retirement benefits** from **your Aegon SIPP** when **you** are aged 55 or over, or **you** can transfer the value of **your Aegon SIPP** to a different provider. **You** can access **your Aegon SIPP** before age 55 if **you** are in ill health and meet the conditions required by **HMRC** and the **rules**, or if **you** have a protected pension age, which is a right to an early normal retirement age under **HMRC** rules that applied before 6 April 2006.

9.2 **You** can continue to hold both **uncrystallised** and **crystallised investments** in **your Aegon SIPP** after **your 75th birthday** if **you** and **we** agree and the **rules** allow. Please refer to condition 12 of these **additional Aegon SIPP terms and conditions** for details of what happens at age 75.

9.3 When **you** have a **benefit crystallisation event**, **you** must designate all or part of the **investments** within **your Aegon SIPP** to provide:

- i. an **UFPLS** under condition 10 of these **additional Aegon SIPP terms and conditions**;
- ii. a **drawdown pension** under condition 13 of these **additional Aegon SIPP terms and conditions**, or
- iii. the purchase of an annuity under condition 14 of these **additional Aegon SIPP terms and conditions**, unless **you** are transferring to a **QROPS**.

9.4 When **you** crystallise all or part of **your Aegon SIPP**, the amount being used to provide **retirement benefits** will be tested against **your** available **lifetime allowance**. If **your** available **lifetime allowance** is exceeded, **you** will be subject to a **lifetime allowance** charge, as determined by **HMRC** which **we** will deduct from **your Aegon SIPP** and pay to **HMRC**. The amount of any **lifetime allowance** charge due to be paid will depend on how **you** decide to take the benefits in excess of **your lifetime allowance**. There will generally be

a 55% charge if **you** take them as a lump sum or an initial 25% charge if **you** choose to take them as taxable income. Any charges, penalties or tax payments, that arise from **your lifetime allowance** being exceeded, and which **we** have not deducted from **your Aegon SIPP**, must be met by **you**.

9.5 An instruction to take **retirement benefits** from **your Aegon SIPP** must be made online, or in writing, where **we** agree to accept such instructions in writing from **you**. If **we** allow **your intermediary** to complete an instruction to take **retirement benefits** from **your Aegon SIPP** online on **your** behalf, **you** confirm that **your intermediary** is doing this with **your** authority and **you** give **us** authority to act on such an instruction. **You** will advise **us** of anything **you** consider to be incorrect within 30 days of **us** confirming the terms of the **benefit crystallisation event** to **you**.

9.6 If **you** want to **crystallise** some or all of the **uncrystallised** part of **your Aegon SIPP**, the value of the remaining **uncrystallised** part of **your Aegon SIPP** must not fall below £1,000. If the remaining **uncrystallised** balance is below £1,000, **you** will be required to fully **crystallise** all of **your Aegon SIPP**.

10. Uncrystallised funds pension lump sum

10.1 **You** can request an **UFPLS** from the **uncrystallised** part of **your Aegon SIPP** at any time from age 55, or earlier if the circumstances described in condition 9.1 of these **additional Aegon SIPP terms and conditions** apply to **you**. **Your** request must be made online, or in writing, where **we** agree to accept such instructions in writing from **you**. In addition to any legislative requirements, any request for an **UFPLS** is subject to any such reasonable terms as **we** may impose from time to time, including providing any information that **we** require to process **your** request.

10.2 The minimum amount for an **UFPLS** payment is £100.

11. Pension commencement lump sum

11.1 When **you** crystallise all or part of **your Aegon SIPP** to provide a **drawdown pension** or to buy an annuity, **you** may elect to receive part of **your Aegon SIPP** that is **crystallising** as a **pension commencement lump sum** as allowed by the **rules**. **You** can normally take up to 25% of **your Aegon SIPP** as a **pension commencement lump sum**. If **you** do not take the full amount of any **pension commencement lump sum** at the time **you** crystallise that part of **your Aegon SIPP**, **you** cannot take this at a later date. Taking a **pension commencement lump sum** will reduce the amount available to provide a **drawdown pension** or an annuity.

- 11.2 Where **your Aegon SIPP** contains pension credit rights that were granted as a result of pension sharing on divorce, the payment of any **pension commencement lump sum** will be restricted, where necessary, in accordance with legislation relating to pension sharing orders.
- 11.3 **Survivors** are not eligible to take a **pension commencement lump sum**.
- 11.4 If you choose to receive a full 25% pension commencement lump sum we will sell your investments to provide this lump sum. To avoid any potential delays to the sale caused by price fluctuation you have the option to sell an additional 5% over the value of your investments. You or your adviser must consent to use this option. Once we have completed the selling process any remaining cash not included in the pension commencement lump sum will remain in your cash facility.

12. Age 75

- 12.1 Any **uncrystallised** part of **your Aegon SIPP** held before **your 75th birthday** will remain **uncrystallised** on and after **your 75th birthday** until **you** take **your** benefits under conditions 10, 11, 13 or 14 of these **additional Aegon SIPP terms and conditions**. Any **uncrystallised** part of **your Aegon SIPP** will be tested against **your lifetime allowance** on **your 75th birthday**.
- 12.2 If **you** have previously designated any of **your Aegon SIPP** for **drawdown pension**, then any investment growth less any drawdown payments **you** have taken will also be tested against **your lifetime allowance**.
- 12.3 During the 12 months leading up to **your 75th birthday**, **we** will try to contact **you** to inform **you** of the options available to **you** on **your 75th birthday** and to obtain **your** instructions.
- If **we** cannot contact **you**, or **you** have not given **us** instructions, by **your 75th birthday**, any **uncrystallised** part of **your Aegon SIPP** will remain **uncrystallised**.
- 12.4 **We** will calculate any tax which is due and deduct it from **your Aegon SIPP** in line with the **rules** and **HMRC** rules applicable at the time.

13. Drawdown pension

- 13.1 On receipt and acceptance of a **benefit crystallisation event** request, an amended **drawdown pension** request or a transfer in request, a **drawdown pension** can be paid from **your Aegon SIPP**. **Your** request must be made online, or in writing, where **we** agree to accept such instructions in writing from **you**.
- 13.2 Before **you** can **crystallise** all or part of **your Aegon SIPP** to provide a **drawdown pension** for the first or a subsequent time, **you** must have at least the minimum amount **we** will accept to set up a **drawdown pension** or as an additional designation to **drawdown pension** within **your Aegon SIPP**. **You** can find out what the minimum amount is on **the Service**, or you can ask **your intermediary** (if **you** have one) what it is. If **you** have less than this amount **you** will not be able to designate all or part of **your Aegon SIPP** to **drawdown pension** and must:
- purchase an annuity;
 - take all of **your Aegon SIPP** as an UFPLS;
 - take all of **your Aegon SIPP** as a small pot lump sum if eligible, or
 - leave **your Aegon SIPP** uncrystallised until **your Aegon SIPP** has reached the minimum amount.
- 13.3 **We** will pay **drawdown pension** payments on the day that **you** choose from the dates **we** tell **you** are available for payment of **your drawdown pension**, subject to condition 13.9 of these **additional Aegon SIPP terms and conditions**.
- The dates **you** can currently choose from are the 9th, 18th and 27th of the month.
- If, in any month, the date **you** have chosen is not a **business day**, **we** will pay the **drawdown pension** on the last **business day** before **your** chosen date, subject to condition 13.9 of these **additional Aegon SIPP terms and conditions**. The payment will reach **your nominated bank account** sometime after that, subject to the clearing rules of **our bank** and the bank with whom **you** hold **your nominated bank account**.
- 13.4 **You** can request a change to the date of payment of **your regular drawdown pension**. **Your** request must be made online, or in writing, where **we** agree to accept such instructions in writing from **you**. Subject to condition 13.8 of these **additional Aegon SIPP terms and conditions**, the change to the date of payment of **your regular drawdown pension** will take place in the month following the month in which **you** make the request.

- 13.5 Regular **drawdown pension** payments are payable monthly, quarterly, half-yearly and yearly. **You** can also request **drawdown pension** payments on an ad hoc basis.
- 13.6 The date that the **drawdown pension** payment leaves the **cash facility** will be the date used to determine which pension and tax year the **drawdown pension** payment falls into.
- 13.7 If any **drawdown pension** payment is taken, this is subject to the minimum payment of £25.
- 13.8 For **drawdown pension** payments to start on the next payment date **you** choose, **your** instruction must be received and accepted by **us** at least 10 **business days** before the payment date.
- 13.9 Ad hoc **drawdown pension** payments will not be made where there are no cleared funds available within **your Aegon SIPP cash facility**. Where a regular **drawdown pension** payment is due to be paid and there are no cleared funds available in the **cash facility** of **your Aegon SIPP**, then the provisions of condition 5.4 of the Aegon Platform **terms and conditions** will apply to generate cleared funds. **We** accept no liability for loss or charges incurred as a result of cleared funds not being available for **drawdown pension** payments.
- 13.10 Where **you** request to transfer **your drawdown pension** to another provider **you** must transfer the full value of **your drawdown pension** account.

14. Annuity purchase

- 14.1 If you or a survivor, want to buy an annuity, **your** funds to purchase the annuity will need to be paid to an annuity provider as **we** do not currently provide this facility.
- 14.2 The provider setting up the contract or policy must agree to provide the annuity.
- 14.3 On receipt of a valid instruction, **we** will arrange for the purchase price of the annuity to be paid to the provider of your annuity. The purchase price will be obtained through the sale of **investments** in **your Aegon SIPP**.
- 14.4 The annuity to be paid must be allowed by the **rules**.
- 14.5 **We** are not liable for any acts or omissions of an annuity provider that **you** or a **survivor** choose.

15. Death benefits

- 15.1 **We** will pay the death benefits available from **your Aegon SIPP** in line with the **rules**.

15.2 Investments on death

On notification of **your** death, and after **we** have been provided with satisfactory evidence of death, **we** will sell **your investments** in **your Aegon SIPP** as soon as **we** are reasonably able to do so. The proceeds of sale will be placed in **your Aegon SIPP cash facility** until settled in accordance with this condition 15 of the **additional Aegon SIPP terms and conditions**.

15.3 Payment or application of death benefits

15.3.1 On notification of **your** death, and after **we** have been provided with satisfactory evidence of death, some or all of the following options are available to **survivors** who are beneficiaries in terms of the **rules**, as further described in conditions 15.4, 15.5, and 15.6 of these **additional Aegon SIPP terms and conditions**, unless the exceptions in conditions 15.3.2 and 15.3.3 of these **additional Aegon SIPP terms and conditions** apply:

- i **drawdown pension** (as described in condition 17 of these **additional Aegon SIPP terms and conditions**);
- ii annuity purchase (as described in condition 16 of these **additional Aegon SIPP terms and conditions**);
- iii lump sum, or
- iv a combination of these.

The options available to the **survivors**, and how the **survivors** may be chosen, depends on whether or not they have been nominated for the relevant benefits. This depends on whether **you** have provided **us** with a nomination, a letter of wishes, or none of these, or **we**, as **scheme administrator**, have nominated them for the relevant benefits. In addition, if **you** have given **us** a nomination, the personal circumstances of the person **you** have nominated may also determine how the death benefits are dealt with (see condition 15.4 of these **additional Aegon SIPP terms and conditions**).

If **we** choose a **survivor** as a beneficiary and neither **drawdown pension** or annuity purchase are available, a lump sum death benefit is payable to the **survivor** **we** have chosen. If **we** exercise **our** discretion in favour of a person who is not a **survivor**, **drawdown pension** and annuity purchase are not available. A lump sum death benefit will be payable to the person **we** have chosen.

15.3.2 There may be legal or regulatory reasons why **we** are not able to offer some or all of the options detailed in condition 15.3.1 of these **additional Aegon SIPP terms and conditions** to a **survivor**. Where this is the case, **we** will inform that **survivor** of the options available to them.

15.3.3 In the following circumstances the **survivor** will not have all the options detailed in condition 15.3.1 of these **additional Aegon SIPP terms and conditions**:

- i where the **survivor** is resident anywhere other than in the United Kingdom, **we** will only make payment of a lump sum death benefit and that **survivor** will not have any choice as to how the death benefits are payable, and
- ii where the fund for the **survivor** is less than the minimum amount that **we** set from time to time for providing **flexi-access drawdown** for a **survivor**, the option of taking a **drawdown pension** will not be available to the **survivor**.

15.4 Nominations and letter of wishes

15.4.1 If **you** have given **us** a non-binding nomination in a format that **we** have confirmed is acceptable and this applies at the time of **your** death, **we** will exercise our discretion as described in condition 15.5 of these **additional Aegon SIPP terms and conditions**, taking into account the person **you** have nominated. If **we** exercise our discretion in favour of the person **you** have nominated, that person will choose how the death benefits available to them are payable or applied for their benefit. The options available to them are those detailed in condition 15.3.1 of these **additional Aegon SIPP terms and conditions**.

Letter of wishes

15.4.2 Where **you** have given **us** a letter of wishes or expression of wishes in a format that **we** have confirmed is acceptable, which applies on **your** death, **we** will treat that letter or expression of wishes as detailed in this condition 15.4.2 and it will not be treated as a nomination under condition 15.4.1 or condition 15.5 of these **additional Aegon SIPP terms and conditions** for the options described in condition 15.3.1 of these **additional Aegon SIPP terms**

and conditions. Where **we** exercise our discretion, as described in condition 15.5 of these **additional Aegon SIPP terms and conditions**, and the person **we** choose is the person named in the letter or expression of wishes, that person will be entitled to the options under condition 15.3.1 of these **additional Aegon SIPP terms and conditions** in relation to **your Aegon SIPP** only if any of the circumstances described in condition 15.5 i-iii of these **additional Aegon SIPP terms and conditions** apply.

In all other circumstances, **we** will make payment in the form of a lump sum death benefit.

15.5 Discretionary payment of death benefits

If **you** have placed **your Aegon SIPP** in trust, where this is permitted by the **rules**, and **we** are satisfied that **we** can make payment of the death benefit to the trust in accordance with the **rules**, **we** will make payment of the lump sum death benefit to that trust (this would not include scenarios where **you** have set up a trust outside of the **scheme**. In such scenarios **you** would have to have given **us** a nomination in favour of the trust (as described in condition 15.4 of these **additional Aegon SIPP terms and conditions**) and any death benefit would be payable at **our** discretion). In all other circumstances, death benefits are payable at **our** discretion as the **scheme administrator**. **We** will exercise **our** discretion in accordance with the **rules**.

If **we** exercise our discretion in favour of a person who is an individual and:

- i. **you** have given **us** a nomination (as described in condition 15.4 of these **additional Aegon SIPP terms and conditions**) in favour of that person which applies on **your** death, or
- ii. that person qualifies as a **dependant**, or
- iii. that person is not nominated by **you** and no other individual (or charity as described in condition 15.6 of these **additional Aegon SIPP terms and conditions**) is nominated by **you** in relation to **your Aegon SIPP**, and there are no **dependants** in whose favour **we** could have exercised **our** discretion,

that person, as a **survivor** who has been nominated by **you** or by **us**, will choose how the death benefits are to be paid to them or applied for their benefit subject to condition 15.3.1 of these **additional Aegon SIPP terms and conditions**.

In all other circumstances, **we** will make payment of a lump sum death benefit to the person in whose favour **we** exercise **our** discretion.

15.6 Charity lump sum death benefit

You may nominate a charity for payment of a lump sum death benefit. Where a charity lump sum death benefit, as defined in the Finance Act 2004, is payable, it will be paid in accordance with the terms of that Act.

If on **your** death there is a charity nominated by **you** for a part (which may be the whole) of a lump sum death benefit from **your Aegon SIPP**, and **we** exercise **our** discretion as described in condition 15.5 of these **additional Aegon SIPP terms and conditions** in favour of an individual instead, the options available to that individual in relation to that part may be restricted by legislation to payment to them of a lump sum death benefit.

15.7 Where a **survivor** continues with **your Aegon SIPP**, they will not be able to make any **contributions** or transfers to the **Aegon SIPP**.

16 Survivor's annuity

Where **we** are to buy an annuity for a **survivor** on the basis set out in the **rules**, the value of that **survivor's** share of **your Aegon SIPP** will be used to buy an annuity in line with the **rules** and condition 14 of these **additional Aegon SIPP terms and conditions**.

17 Survivor's drawdown pension

17.1 A **survivor** may be allowed, under the **rules** and condition 15 of these **additional Aegon SIPP terms and conditions**, to set up a **drawdown pension**. If a **survivor** is allowed and wants to set up a **drawdown pension**:

- i. A **survivor** can tell **us** (or where the **survivor** is a minor child, the person who is the parent or legal guardian of the minor child can tell **us**), they would like an **Aegon SIPP** so that the **investments** in **your Aegon SIPP** can be used to provide **survivor's drawdown pension**. The request must be made online, or in writing, where **we** agree to accept such instructions in writing from the **survivor** or person who is the parent or legal guardian of the minor child, as appropriate.
- ii. Where we receive a **survivor's** instruction, or an instruction from the person who is the parent or legal guardian where the **survivor** is a minor child, in terms of condition 17.1i of these **additional Aegon SIPP terms and conditions**, we will apply the **investments** to an **Aegon SIPP** that is due to that **survivor** so that it will be that **survivor's Aegon SIPP**. Where more than

one **survivor** who is receiving death benefits wants a **drawdown pension** to be provided for them, the **investments** to be applied for each **survivor** will be applied to an **Aegon SIPP** for each such **survivor**.

We shall make the change at the time **survivor's drawdown pension** is to start. **We** can make the change without the agreement of that **survivor**, or any other person.

17.2 For a **survivor's Aegon SIPP**, the **rules** and the rights and obligations **you** and **we** have under **your Aegon SIPP**, in so far as they remain relevant, will apply to that **survivor**. The **survivor**, or where the **survivor** is a minor child, the person who is the parent or legal guardian of the minor child, must agree to the Aegon Platform **terms and conditions** and the **additional Aegon SIPP terms and conditions** in so far as they are relevant to the **survivor**.

18 Death of a survivor

18.1 On notification of the death of a **survivor** who has a **drawdown pension** and after **we** have been provided with satisfactory evidence of death, **we** will sell the **investments** in that **survivor's Aegon SIPP** as soon as **we** are reasonably able to do so. The proceeds of sale will be placed in the **survivor's Aegon SIPP cash facility** until settled in accordance with this condition.

18.2 On the death of a **survivor**, death benefits are payable at **our** discretion. **We** will exercise **our** discretion in accordance with the **rules**.

18.3 If **we** exercise **our** discretion in relation to all or part of the death benefits in favour of a person who is an individual and the deceased **survivor** has given **us** a nomination in favour of that person for that part, that person will choose how the death benefits are to be paid to them subject to condition 15.3.1 of these **additional Aegon SIPP terms and conditions**.

18.4 In all other circumstances, **we** will make payment of a lump sum death benefit to the person in whose favour **we** exercise **our** discretion.

19 Lifetime allowance charge

19.1 HMRC may apply a **lifetime allowance** charge to **your Aegon SIPP** benefits. Where a **lifetime allowance** charge is to be deducted from **your Aegon SIPP**, **we** will deduct it on the basis set out in condition 19.2 of these **additional Aegon SIPP terms and conditions**. The amount deducted will either be paid to HMRC or, where **we** have already paid the **lifetime allowance** charge, it will be retained by **us**. A **lifetime allowance** charge may

apply to any death benefits that are payable from **your Aegon SIPP**. In that case, the recipients of any **uncrystallised funds lump sum death benefit** are liable to pay the **lifetime allowance** charge to **HMRC**.

- 19.2 **We** will deduct the **lifetime allowance** charge from **your cash facility** or, if there are insufficient funds in **your cash facility**, by carrying out a **forced disinvestment** under condition 5.4 of the Aegon Platform **terms and conditions** to enable us to pay the **lifetime allowance** charge.

20 Divorce

- 20.1 If **we** receive a valid pension sharing order, **we** will pay the pension debit from **your cash facility** to the qualifying arrangement. If there are insufficient funds in **your cash facility** to pay the pension debit, **we** will carry out a **forced disinvestment** under condition 5.4 of the Aegon Platform **terms and conditions** to enable the full pension debit to be paid.
- 20.2 If **you** are in receipt of a pension credit, **you** can transfer the pension credit in to **your Aegon SIPP**.

Part 2

Basic scheme information section

This part gives **you** the basic information **you** need to know about the Aegon Self Invested Personal Pension Scheme governing your **Aegon SIPP**.

Important information

All your benefits will be held under the Aegon Self Invested Personal Pension Scheme.

For the purposes of this document, any reference to 'the Scheme' means the Aegon Self Invested Personal Pension Scheme.

Address for enquiries

If you would like more information about the Scheme, for example details of your rights and benefits under your Aegon SIPP, or if you would like a copy of the trust deed which established the Scheme and a copy of the rules governing the Scheme, please contact:

The Scheme Administrator
The Aegon Self Invested Personal Pension Scheme
Aegon Cofunds Administration
Sunderland
SR43 4DN

If you have any questions or need advice on contribution levels, benefits, cancellations, transfers or investment decisions, please get in touch with your intermediary. If you do not have an intermediary, you can find one in your local area at: <https://maps.org.uk/moneyhelper/>

Our client literature, terms and conditions, and policy conditions booklet explain further some of the terms used in this leaflet.

If you would like advice regarding your options, you should speak to an intermediary. You also have access to a free and impartial pensions guidance service, known as MoneyHelper. You can find out more about this service at <https://www.moneyhelper.org.uk/pensionwise>. This service offers guidance about your retirement options, but does not offer advice.

The Scheme

The Scheme is a personal pension scheme and is registered for tax purposes under chapter 2 of part 4 of the Finance Act 2004. The Scheme provides both pension benefits and death benefits.

Conditions of membership – contributions

The following conditions apply if you would like to join the Scheme and contribute to your Aegon SIPP.

1. Permitted contributions

The Scheme may accept personal contributions paid by you (or by another person on your behalf). Under current tax legislation, a contribution will be eligible for tax relief provided it is paid when you are under age 75, and you are a relevant UK individual for the tax year in which the contribution is paid. It must also be within the maximum limit for personal contributions as set out in paragraph 2a below of this part 2.

You are a relevant UK individual for the tax year if at least one of the following applies:

- i. you have relevant UK earnings chargeable to income tax for that year;
- ii. you are resident in the UK at some time during that year;
- iii. you were resident in the UK both at some time during the five years immediately before that year and when you became a member of the Scheme, and
- iv. you (or your spouse or registered civil partner) have, for the tax year, general earnings from overseas Crown employment subject to UK tax (such earnings are as defined in section 28 of the Income Tax (Earnings and Pensions) Act 2003).

Relevant UK earnings covers employment income, schedule D income from carrying on a trade, profession or vocation, and patent income under section 833(5B) of the Taxes Act 1988.

Whether or not you are a relevant UK individual, the Scheme may also be able to accept contributions from your employer to your Aegon SIPP, and may, at its discretion, accept contributions from you (or from another person on your behalf) even if they are not eligible for tax relief.

2. Contribution limits and annual allowance

a. Personal contributions

If you are a relevant UK individual, you will be eligible for tax relief on any contributions you (or another person on your behalf) pay up to the greater of 100% of your relevant UK earnings (but see b below) and £3,600 each tax year (this limit applies across all registered pension arrangements that you make contributions to in any tax year).

b. Personal and employer contributions

If your total pension input amount (being an amount as defined in sections 229 to 237 of the Finance Act 2004) in respect of all your registered pension arrangements for any tax year is more than that year's annual allowance plus any amount of unused annual allowance you can carry forward, you will be subject to a tax charge at the 'appropriate rate'.

The annual allowance for the tax years 2019/2020, 2020/2021 and 2021/2022 is £40,000. You can carry forward unused allowance from the three previous tax years, if eligible to do so. You should speak to your intermediary for more information.

There are circumstances where your annual allowance may be lower than that year's standard annual allowance as follows:

i. Tapered annual allowance

From 6 April 2016, if you have an adjusted income of £150,000 a year or more and subject to a threshold income of £110,000 you will have a reduced annual allowance. If you are affected, the annual allowance will be gradually reduced (for every £2 of adjusted income over £150,000 the annual allowance is reduced by £1) so that you will have an annual allowance of no less than £10,000. You can still carry forward any unused annual allowance from the previous three tax years, but this will be restricted to the tapered level in relation to any year in which the taper applies. You should speak to an intermediary if you think you are affected by these limits.

ii. Money purchase annual allowance

The money purchase annual allowance is triggered in certain circumstances when you have received benefits from pension savings, for example where you have taken income from a flexi-access drawdown pension or taken an uncrystallised funds pension lump sum (UFPLS). It is the amount that can be paid each year to your money purchase arrangements without a tax charge applying.

The money purchase annual allowance for each of the tax years 2019/2020, 2020/2021 and 2021/2022 is £4,000.

If the money purchase annual allowance provisions apply to you, and during the year more than £4,000 has been paid to your money purchase arrangements under all of your registered pension schemes, a tax charge:

- a. will apply on the money purchase contributions above £4,000, and
- b. may apply on the value of any savings made to defined benefit arrangements that are higher than £36,000 plus any carry forward you have available.

Special rules apply in the year that the money purchase annual allowance rules first apply, and different rules apply to defined benefit pensions.

Please speak to your intermediary for more information.

The current 'appropriate rate' is:

- c. for any part of the excess which, when added to your reduced net income, is within the basic rate limit for the tax year, 20%;
- d. for any part of the excess which, when added to your reduced net income, is more than the basic rate limit for the tax year, 40%;
- e. for any part of the excess which, when added to your reduced net income, is more than the higher rate limit for the tax year, 45%.

If you are a Scottish tax payer the 'appropriate rate' will differ from those rates listed above.

Pension input amounts are calculated in different ways depending on the type of scheme or arrangement. In relation to the Scheme, your pension input amounts for any tax year will normally be the total contributions paid by you, by another person on your behalf, and your employer, if applicable, to the Scheme in the tax year. From 6 April 2016, your pension input period runs from 6 April to 5 April of the following year. If you think you may be affected by the annual allowance charge and want further details about pension input amounts, please speak to your intermediary.

The annual allowance limit does not apply to a tax year if you take your benefits in accordance with the serious ill-health condition in that year, nor would it apply for a tax year if you died in that year.

3. Contributions and tax relief

Your personal contributions will be paid net of basic rate tax. We will reclaim basic rate tax on your behalf, where appropriate, from HM Revenue & Customs. If you are a Scottish tax payer we will reclaim tax relief using the Scottish basic rate of income tax. You can claim any higher rate tax relief due to you through your self-assessment tax return.

4. Contributions frequency

Both regular and single contributions can be made to your Aegon SIPP by you, by another person on your behalf, and by your employer.

Contributions paid by you, or on your behalf, will be applied to your Aegon SIPP, as directed by you. The value of the investments held in your Aegon SIPP, after taking into account any charges and deductions, is available to provide benefits under the Scheme.

Investment options

You can invest in a number of different types of investment vehicles. Our client literature gives full details of acceptable investment options and they are also available on our website. Investments will be registered in the name of one or more of our nominee companies.

We reserve the right to decline any investment if it is not clear that the intended investment is permitted by legislation or the trustees of the Scheme. The investment options above apply equally to transfer payments in to your Aegon SIPP.

Benefits

1. Benefits and tax relief

Unless you are relying on Enhanced Protection, as defined in schedule 36 of the Finance Act 2004, there is an overall limit on the total amount of tax-privileged pension savings you are allowed in registered pension schemes. For most people this limit is the standard lifetime allowance.

For the tax year 2013/2014, it is £1.5 million unless you have Fixed Protection 2012 – in which case it is £1.8 million.

For the tax year 2014/2015 onwards the standard lifetime allowance is:

- £1.8 million if you have Fixed Protection 2012;
- £1.5 million if you have Fixed Protection 2014;
- a protected amount which will be greater than £1.25 million but no more than £1.5 million if you have Individual Protection 2014;
- £1.25 million if you have Fixed Protection 2016;

- a protected amount which will be greater than £1 million but no more than £1.25 million if you have Individual Protection 2016;
- £1 million in any other case;
- from the tax year 2018/2019 the standard lifetime allowance will increase every year by the Consumer Prices Index. This means for the tax year 2018/2019 the standard lifetime allowance is £1.03 million, and
- for tax year 2020/2021 until 5 April 2026 the lifetime allowance will remain fixed at £1,073,100.

The limit applies to benefits built up both before and after 6 April 2006. In certain circumstances, you may be entitled to a higher personal lifetime allowance.

With certain exceptions, your benefits will be tested against your lifetime allowance when they come into payment, whether as an annuity, lump sum, or drawdown pension, on reaching age 75 or on death (see 2 and 3 below). A tax charge will be applied to any excess over your lifetime allowance. The amount of tax charge will depend on how benefits are taken and your personal circumstances. Legislation sets out the rules which determine how your benefits are tested against your lifetime allowance.

When you take your benefits from your Aegon SIPP, you will have to tell us the percentage of your lifetime allowance that you have used previously when taking benefits from any other pension arrangements.

2. Taking benefits

The minimum age at which you can take benefits from your Aegon SIPP is age 55, unless you are in ill-health or have a protected pension age.

If you are in ill-health, then subject to the appropriate medical evidence being provided, you may be able to take your benefits before age 55.

It may be possible for you to take benefits from your Aegon SIPP on a staggered basis, instead of taking them all at the same time. For further information about this option please speak to your intermediary.

If a transfer payment is made to the Scheme representing rights held for you in another registered pension scheme in respect of which you had a 'protected pension age', you may be able to take benefits from your Aegon SIPP before age 55 if certain conditions are met.

The information below is based on taking all benefits from your Aegon SIPP at the same time. Different

provisions may apply if you take benefits from your Aegon SIPP on a staggered basis.

a. Taking benefits from minimum age

If you take your benefits then, subject to any lump sum which you take, and unless you opt to buy an annuity, your Aegon SIPP funds will be used to provide you with a drawdown pension. Your funds will remain invested while you draw an income from them each year (if you want to). If you choose to take a drawdown pension, it will be in the form of a flexi-access drawdown pension.

If you first crystallised your fund on or after 6 April 2015, you will have flexi-access drawdown.

If you transfer capped drawdown funds to your Aegon SIPP from another registered pension scheme, you must ask us to convert these funds to flexi-access drawdown as part of the transfer application as the Aegon SIPP cannot accept capped drawdown to capped drawdown transfers.

If you have a flexi-access drawdown pension, there is no maximum limit on the amount that may be taken from your Aegon SIPP in any year. Any amount that you take is taxed at your marginal rate. As soon as you take any income from your flexi-access drawdown pension, and if not already triggered (for example by taking income from a flexi-access drawdown pension elsewhere or by taking an UFPLS), you will trigger the money purchase annual allowance.

Any flexible drawdown pension that you had before 6 April 2015 was automatically converted by legislation to a flexi-access drawdown pension on 6 April 2015, and the money purchase annual allowance would be triggered automatically.

If you opt to buy an annuity, it can be just for you, or you can choose to have an annuity that will continue to pay to your surviving spouse, registered civil partner or other dependant(s) on your death.

You can choose an annuity which increases each year, or one which will pay the same amount each year. You can also choose an annuity which will be paid for a guaranteed minimum number of years (even if you die before the end of the guaranteed period).

Whether you opt for an annuity or drawdown pension, you can normally choose at that time to take a tax-free lump sum of up to 25% of your Aegon SIPP funds, however this amount may be restricted depending on your personal circumstances. In some circumstances, you may

be entitled to take a greater amount of your Aegon SIPP funds as a tax-free cash lump sum depending on your personal circumstances. Where your Aegon SIPP benefits exceed your lifetime allowance, you may be able to take the excess as a lump sum instead of as a pension.

If you opt for a drawdown pension, you can choose at any later date to use the underlying funds to buy an annuity for you (see above). No further tax-free cash can be taken by you from these funds at that time.

When an annuity is bought with your drawdown pension funds, a further test against your lifetime allowance will be made, but with a reduction to avoid double counting of the amount of funds tested previously when you opted for a drawdown pension. This test will be carried out at the earlier date of the annuity being purchased or at age 75.

From age 55, or earlier if you have a protected pension age or if you meet the ill-health requirements of the Scheme, you can take an UFPLS if you meet the relevant legislative requirements. An UFPLS is a lump sum paid to you from all or part of your uncrystallised Aegon SIPP funds, with 25% of the amount normally being tax-free and the remainder taxed at your marginal rate.

b. Taking benefits before the minimum age

You can take benefits, as described above, early due to ill-health.

You may be able to take all your Aegon SIPP benefits early in lump sum form if you are suffering from serious ill-health (in other words, your life expectancy is less than one year), subject to the appropriate medical evidence being provided. There is no minimum age. This option is not available for drawdown pension funds.

Taking benefits from age 75

Depending on the terms of your Aegon SIPP, you can choose at any time to use the underlying funds to buy an annuity for you.

No instructions by age 75

If we have not received instructions from you by your 75th birthday as to how you would like your Aegon SIPP funds applied, they will remain uncrystallised until such time as you take a drawdown pension or buy an annuity or take an UFPLS.

3. What is paid if you die before taking benefits

Your Aegon SIPP funds will usually be paid as a lump sum to:

- the trustees if you have written your Aegon SIPP under trust (however if you have set up a separate trust (sometimes known as a pilot trust) you would have to nominate the trust in order for it to be considered), or
- beneficiaries nominated by you, chosen at our discretion, as set out in the rules of the Scheme.

Where you have not set up a trust, then you should notify us of your choice of beneficiaries for the lump sum death benefits.

If you die before age 75, uncrystallised lump sum death benefits will be tested against your lifetime allowance, and the recipients will have to pay a tax charge on any excess over your lifetime allowance. The rate of tax charge will depend on how the benefits are taken.

If you die on or after your 75th birthday, the full amount will normally be taxed at the recipient beneficiary's marginal rate (where the beneficiary is an individual and is not receiving the funds as a trustee, personal representative, company director or partner of a firm), and otherwise at 45%.

You can opt to have your pension fund death benefits paid in the form of a pension to your spouse, registered civil partner or other survivor with certain exceptions. Please ask your intermediary for further details.

4. What is paid if you die while taking drawdown pension

If you opt to take drawdown pension you can choose (or we can choose if you do not) that on your death, your remaining drawdown pension funds will be applied for the benefit of one or more survivors. On your death any survivor selected may be able to choose whether to have the funds paid as a lump sum, used to buy an annuity for them, or used to pay them drawdown pension or they may only be entitled to a lump sum death benefit. What a survivor is entitled to will depend on their circumstances. If you (or we) do not make such a choice, then your remaining funds will be used to pay a lump sum.

Further provisions govern what happens if a survivor dies while taking drawdown pension. Please see the rules of the Scheme or speak to your intermediary for details.

5. Transfers

On your written request, the Scheme administrator may (subject to certain conditions being met):

- accept a cash transfer to your Aegon SIPP from another registered pension scheme or recognised overseas pension scheme, or
- transfer your benefits to any other registered pension scheme or a QROPS.

Transfers to or from your Aegon SIPP will not be tested against your annual or lifetime allowance at the time that the transfer is made, unless the transfer is to a QROPS.

Different conditions may apply where funds representing pension credit rights from a pension sharing order or provision are being transferred.

For further information on transfers, you should consult the rules of the Scheme.

Money Helper (previously The Pensions Advisory Service)

Money Helper is available to help members and beneficiaries of schemes with difficulties they cannot resolve with the Scheme administrator or administrator. You can contact Money Helper at:

Money Helper
120 Holborn
London
EC1N 2TD

By telephone: 0800 011 3797

Using their online enquiry form at
<https://maps.org.uk/moneyhelper/>

The Pensions Ombudsman

The Pensions Ombudsman may investigate and determine any complaint, or dispute of fact or law, in relation to any pension scheme made or referred to them. You must contact the Pensions Ombudsman within three years of the event you are complaining about happening or within three years from when you first knew about it (or should have known about it). You can contact the Pensions Ombudsman at:

10 South Colonnade
Canary Wharf
London
E14 4PU

Telephone: 0800 917 4487

Email: enquiries@pensions-ombudsman.org.uk

Website: www.pensions-ombudsman.org.uk

You can also submit a complaint form online:
www.pensions-ombudsman.org.uk/our-service/make-a-complaint/

The Financial Ombudsman Service

You have the right to refer a complaint to the Financial Ombudsman Service. You can see how they can help on their website www.financial-ombudsman.org.uk. You must contact them within 6 months from the date you've received our final response in relation to a complaint, and their contact details are:

Financial Ombudsman Service
Exchange Tower
London E14 9SR

0800 023 4 567 (free from a landline or mobile)

0300 123 9 123 (calls to this number cost no more than calls to 01 and 02 numbers)

complaint.info@financial-ombudsman.org.uk

Value-added tax (VAT)

VAT applies to the buying of a number of goods and services. This includes where those goods and services are bought in connection with your personal pension arrangements. Where this applies, your arrangements must pay the extra cost of that VAT.

At present, money paid to an intermediary for their services in connection with insurance policies is not normally subject to VAT. However, any other payments paid from your arrangements to your intermediary may be subject to VAT.

If you need more information about how taxation and related regulations may apply to your circumstances, please speak to a professional tax adviser.

Miscellaneous

1. Divorce

If you are divorced, a court order may apply to your Aegon SIPP and this may affect your rights and/or benefits held or payable under your Aegon SIPP. Please tell us of any such order and of any changes made to it.

2. Bankruptcy

If you become bankrupt, please tell us immediately, as this may affect benefits in payment.

The provisions of the Financial Services and Markets Act 2000 apply to the Scheme and to your Aegon SIPP.

This information is based on Aegon's understanding of current taxation law and HM Revenue & Customs practice, which may change. The value of tax relief depends on your financial circumstances. Benefits are not guaranteed.

