



# Zurich Retirement Saver

Terms and conditions

Important information about Zurich pension funds

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# An introduction to the Zurich Retirement Saver

This introduction explains the overall structure of the Zurich Retirement Saver – a full explanation of roles and responsibilities and investments available is detailed later within the terms and conditions.

You should also read the 'Important information about Zurich pension funds' at the back of this document as it contains information about Zurich Assurance Ltd's responsibilities for Zurich pension funds.

## **What is the Zurich Retirement Saver?**

The Retirement Saver is an individual pension arrangement, designed to meet the standards required by auto enrolment rules if this plan is part of your employer's workplace pension scheme.

The Retirement Saver is made up of two "accounts" – the Retirement Saver – savings and the Retirement Saver – income. Your Retirement Saver – income account will only be available when you move funds into flexible income (drawdown). For specific information about flexible income (drawdown), please see section 16.2.3.

## **The purpose of the plan**

It enables you to build up a pot of money, which you can then use to provide you with retirement benefits from age 55, unless you meet the HM Revenue & Customs (HMRC)'s ill health criteria or have a protected retirement age, in which case the benefits could be payable earlier.

If this plan is part of your employer's workplace pension scheme, your employer may also be making payments into it.

## **Auto enrolment**

The government has introduced a law requiring employers to automatically enrol their employees into a pension scheme which meets certain standards. This regime is called auto enrolment.

The regime was introduced and staging will continue into 2018. The date on which the regime applies to your employer is called the "Staging Date" and will depend on the size of your employer. Your employer will tell you when the regime applies to it, and what this means for you.

The regime will result in employees being automatically enrolled into pension schemes by their employer.

These terms and conditions vary, depending on whether your employer has reached its staging date.

This also means that if you already have a Zurich Retirement Saver, when your employer reaches its staging date, some of your terms will change.

Please note auto enrolment rules will not apply to your Retirement Saver – income account within this plan.

## Services provided

We provide the following services in order to fulfil the purpose of the scheme:

- we set up a plan in your name under the scheme which can only be used to provide benefits for you
- we receive payments made by you and your employer (if applicable) and allocate them to your plan (for more on payments, please see section 7)
- we recover tax relief in respect of your payments (but not your employer's payments or any transfer payments) and add that to your plan
- we invest payments made to your plan in the way described in section 8 and provide a range of funds and investments which you can choose to invest in
- we send you information about the plan, its value and your options under it:
  - when you first become a member
  - regularly during the time you are a member
  - when you leave employment, if this plan forms part of your employer's workplace pension scheme
  - when you approach your selected retirement date
- we provide you with online access and a telephone service so that you can find more information about your plan and the payments made to it
- we monitor payments made through payroll by your employer to ensure that the payments we are expecting are paid on time
- we calculate the value of your plan
- we ensure that the investments held under your plan are kept secure until we pay benefits to you (although the value of the investments can fall)
- we use the value of your plan to provide your benefits when you ask for them (for more on the ways your plan can be used, please see section 16)
- We will facilitate from your account any one off adviser payments that you have agreed with your regulated financial adviser

- we deduct and account for tax that may be due while your plan is in force and when you take benefits.

Our charges for providing these services are described in section 14.1.1 'Our charges'.

- If you have a Retirement Saver – income account, we will also provide you with the services mentioned in section 16.2.3.

The charges for these can be found in section 16.2.3.7. In addition, the charges described in section 14 will also apply to your Retirement Saver – income account.

### Scheme

Zurich Personal Pension (No.15) Scheme.  
The scheme is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004, and is established and governed by a Trust Deed and Rules ('the scheme rules'). A copy of the scheme rules is available from us on request.

The scheme rules set out the legal and regulatory basis on which the scheme is operated and require all dealings with your plan to comply with HMRC rules and relevant pensions and tax legislation.

### Auto enrolment

The legislation under the Pensions Act 2008 and Pensions Act 2011 placing a duty on employers to automatically enrol their employees into appropriate pension schemes.

## Who provides the Zurich Retirement Saver?

Each individual pension plan is issued under the Zurich Personal Pension (No.15) Scheme (the scheme) which is governed by a trust deed and scheme rules. Under the scheme rules, Sterling ISA Managers Limited, trading as Zurich, is the provider, operator and scheme administrator of the scheme, and Zurich Pension Trustees Limited is the trustee.

The trustee's only role is to hold scheme assets for the benefit of individual pension plan holders. Section 13 has more information on this.

## **What investments are available under the Zurich Retirement Saver?**

If you join the plan as part of an employer's workplace pension, your payments will be automatically invested in the default investment option chosen by Zurich (see section 8.1).

Once the plan has started, you do not have to change the investment option chosen by Zurich until you move into flexible income. However, if you want, you can choose to switch from the default investment option to an investment option of your choice, listed in section 8.

If you join the plan with a transfer payment to immediately use with flexible income, you will be required to initially choose from a small range of Zurich pension funds. Once your plan has started you will have access to a wider range of funds and investments.

If this plan is or was part of your employer's workplace pension scheme and you are moving existing funds into your Retirement Saver – income account for the first time, you will also be required to initially choose from a small range of Zurich pension funds. You can subsequently select from a wider range of investments.

## **Employer selected third party service provider**

Your employer may select and appoint a third party service provider to provide services to you as part of your benefits package. If this is the case, we may provide information about your plan to the third party service provider.

Depending on the arrangement agreed by your employer and the third party service provider, the third party service provider may be able to perform certain functions in respect of the plan on your behalf, for example, send us instructions to switch funds, redirect funds, change your selected retirement date or change your payment rate.

Where an instruction is sent on your behalf, the timescales for effecting the instruction set out in these terms and conditions will still apply but the timescales will not start until we have received clear instructions from the third party service provider. We will not be responsible for any delay by the third party service provider in sending any instruction to us. Where you instruct the third party service provider to send an instruction to us, you agree that the third party service provider will be acting as your agent and we can rely and act upon the instructions.

Please note we cannot accept any responsibility for the accuracy of the information about your plan held by the third party service provider or how they display the information to you. Regardless of the arrangement in place with the third party service provider, you can still access your plan through the website using your login ID and password and provide all instructions to us. Please see page 7 for the definition of the website.

If you decide to make changes to your plan we suggest you send instructions through one route only in order to ensure that your plan records held on the website and that of the third party service provider remain consistent.

If you leave your employer, where we have previously provided information to the third party service provider, your plan will still remain in place but we will no longer send them any information and they will no longer be able to perform any functions in respect of the plan on your behalf.

# Terms and conditions

Please read these terms and conditions alongside:

- Zurich Retirement Saver key features
- Website terms and conditions
- Zurich Pension fund guide
- key information document or key investor information document for the investments you choose.

You should keep them available for future reference.

We have used plain English wherever we can but avoiding technical terms is not always possible. Where we use a technical term, we explain what it means.

When we refer to 'you' or 'your' we mean you, the plan holder.

When we refer to 'Zurich', 'us', 'our' or 'we' we mean Sterling ISA Managers Limited trading as Zurich and acting in its capacity as the Scheme Administrator of the Scheme.

## 1. Your contract with us

These are the terms and conditions of the Zurich Retirement Saver ('the plan') and form a legally binding agreement between:

- you, the plan holder, and
- us, Sterling ISA Managers Limited, trading as Zurich, acting in our capacity as the Scheme Administrator of the Scheme.

Zurich, us, our or we  
Sterling ISA Managers Limited uses the trading name of 'Zurich' for the purpose of the website and the products available under it. Sterling ISA Managers Limited is part of the Zurich Group. We are authorised and regulated by the Financial Conduct Authority (FCA).

The Zurich Group  
The Zurich Group includes Zurich Insurance Group Ltd, a company registered in Switzerland, company number CH-020.2.023.083-6 and its direct and indirect subsidiary companies, including branches of such subsidiary companies.

### FCA

The Financial Conduct Authority or any replacement regulatory authority or authorities. We are authorised and regulated by the FCA for pension and investment business and we are bound by its rules. We are on the FCA Register and our registration number is 191278.

### Plan

The plan is a self-invested personal pension plan (a 'SIPP'), made available either through arrangements made by your employer, or you, with Zurich. It is an individual contract between you and us and is issued under the scheme.

### Scheme Administrator

The Scheme Administrator is responsible for the day-to-day running of the Scheme, and for ensuring that payments to the Scheme and benefits paid by the Scheme are treated in line with relevant pensions and tax legislation and in accordance with the scheme rules.

### The trustee

Zurich Pension Trustees Limited is the trustee of the scheme. The trustee is a bare trustee; this means its only role is to hold scheme assets for the benefit of you and the other members of the scheme. It is not responsible for the day-to-day running of the scheme. The trustee's address is: Tricentre One, New Bridge Square, Swindon, SN1 1HN.

These terms and conditions apply from the date we receive and accept your application, or an application forwarded on your behalf by your employer. These are also available on the website. You will be bound by these terms and conditions and by the scheme rules. If there is a conflict between these terms and conditions and the scheme rules, the scheme rules will take precedence.

#### Your employer

Your employer for the purpose of these terms and conditions can be:

- any company, partnership or other entity, for example sole trader or charity, that employs you and any other staff within your organisation, or
- any other entity which is associated with the entity described above, that has arranged access for staff within your organisation and/or the wider group to one or more products available through the website.

Depending on your salary arrangements, when we refer to your employer under these terms and conditions, we may be referring to one organisation in the context of arranging access to the website and referring to another in the context of making payments from salary on your behalf.

We cannot give you financial advice. If you need financial advice, you should contact a regulated financial adviser. You may be charged for the advice you receive.

When we refer to a guide or other literature in these terms and conditions, the relevant document will be available on the website or you can contact us for a copy using the details in section 32.

#### The website

If this plan is or was part of your employer's workplace pension scheme, this is the website which gives you access to the financial products we make available, or agree with your employer. Your use of the website is governed by the website terms and conditions which you must agree to when you first log on to the website.

If you joined this plan with a transfer payment to immediately use with flexible income, this is the website which gives you access to the financial products we make available. Your use of the website is governed by the website terms and conditions which you must agree to when you first log on to the website.

If there is a conflict between these terms and conditions and the website terms and conditions, these terms and conditions will prevail on any matters specific to the plan. The website terms and conditions will prevail on any matters specific to the operation of the website.

If these terms and conditions conflict with the FCA rules or any other applicable laws, then the FCA rules or the other applicable laws will prevail.

#### FCA rules

The rules and regulations of the FCA, acting within the scope of the Financial Services and Markets Act 2000 or any successor legislation and applicable from time to time to Zurich, the plan and these terms and conditions.

#### Other applicable laws

Any statutes and other legislation (except FCA rules) and any case law that applies from time to time to Zurich, the plan, these terms and conditions and to you.

## 2. What we ask you to do

### 2.1 Your responsibilities

You are responsible for complying with these terms and conditions.

If your employer provided us with information about you to enable us to set up your plan, you do not need to do anything further to become or remain a member. However, whether you have joined via your employer, via a regulated financial adviser or come directly to us, we ask that you tell us if the information about you changes, in particular:

- please provide us with any information we reasonably require to complete any checks we undertake to verify your identity and/or provide any identification we reasonably request for anti-money laundering purposes in line with section 29
- please let us know if you are moving to a country outside of the UK. You need to tell us of any change in your residency before such change becomes effective in line with section 23.2
- please tell us as soon as possible of any other change in your circumstances or status including any change to your name, postal address, email address, bank or building society account

- if you are or become subject to the Money purchase annual allowance (MPAA) because you have taken benefits flexibly under another scheme (see section 7.6.2 for a definition of MPAA) you must tell us within 91 days of:
  - receiving your welcome pack, or
  - receiving a flexible access statement from any other scheme of which you are a member
- in order to help us prevent fraud, please tell us immediately if you do not recognise any transaction or if you know or suspect that any payment you have authorised has been carried out incorrectly
- please promptly give us any additional information we are required to obtain to operate your plan or which we reasonably request
- please let us know who you wish to receive any death benefits and if this changes. You can do this by completing a nomination of beneficiaries form (see section 17 for further details)
- please tell us as soon as you can if you know or suspect you have stopped qualifying as a 'relevant UK individual' as defined by HMRC.

You agree that you will comply with the website terms and conditions when using the website.

## 2.2 Seeking regulated financial advice

If, having read all the information and guidance available from your employer and us, you are in doubt about the suitability of the Retirement Saver, or your choice of investments, you should discuss your financial needs with a regulated financial adviser. We will not give you financial, legal, tax or similar advice.

If you are considering investing in wider market investments and you have not invested in these types of investments before, you should consider discussing your investments with a regulated financial adviser.

You may wish to seek regulated financial advice at certain points in the life of your plan. Examples of this include any time when you are considering transferring the value of another registered pension scheme into the plan, transferring your plan value to another registered pension scheme, or when you decide to take benefits.

If you obtain regulated financial advice, you may be charged for the advice you receive.

## 2.3 Reviewing your plan

You should regularly review your plan, including your investments, whether you have chosen them or whether your payments have been made into the default investment option as detailed in section 8.

### The default investment option

This option is an investment option specific and appropriate for a particular group of employees, as described in section 8.1 of these terms and conditions.

We will send you a statement every year showing your current plan value.

We are not responsible for assessing whether your investments are suitable for your knowledge and experience, financial situation and investment objectives. We will not consider your circumstances, financial knowledge or experience when acting on your instructions.

You should review your plan as your circumstances change, for example as you approach retirement, or if you change your selected retirement age.

### Selected retirement age

If this plan is or was part of your employer's workplace pension scheme, this is the age that you want to start taking your retirement benefits. If you do not specify the age you want to take your benefits, you will automatically be given the default retirement age selected by your employer.

You should also review your tax situation in relation to your plan.

## 3. Our responsibilities

We will administer your plan in line with these terms and conditions, the FCA rules and any other applicable laws.

We will use due care and diligence in administering your plan.

We will act on your instructions, or instructions that we reasonably believe have come from you having correctly followed our usual verification processes. If those instructions are unclear or conflict, or cannot be verified as coming from you, we will seek clarification before we act on them.

We act on an execution-only basis, which means that we do not give any financial, legal, tax or similar advice regarding investments or your plan. We do not provide discretionary asset management services or exercise any judgement on your behalf as to the merits of your instructions.

We are not required to assess the suitability of the investments you choose. You will not benefit from the protection of the FCA rules on assessing suitability, unless you take advice from a regulated financial adviser on the suitability of such an investment.

We will only buy or sell the investments under your plan without specific instructions from you where we have authority to do so under these terms and conditions.

We will transmit trading instructions to buy and sell investments to the appropriate fund manager, life insurance company or our nominated stockbroker in line with our order execution policy which can be found in Appendix 2. However, we are not responsible for a delay in the buying or selling of exchange-traded investments caused by the temporary unavailability of our nominated stockbroker's computer systems.

We will process your trading instructions in line with our obligations under these terms and conditions, but are not responsible for the acts and omissions of fund managers, life insurance companies, or our banking partner, except if they arise as a result of our negligence or wilful default in line with section 23.4. We are also not responsible for events beyond our reasonable control in accordance with section 23.1.

#### Fund manager

The third party, other than a life insurance company, responsible for the management of a Zurich pension fund or investment fund that you can invest in through your plan, whose decisions can affect the investment performance of the Zurich pension fund or investment fund.

#### Life insurance company

A life insurance company other than Zurich Assurance Ltd involved in the management of assets and a provider of a reinsurance policy that the funds invest in.

#### Nominated stockbroker

The stockbroker(s) we nominate to enable you to access exchange-traded investments, as described in section 11.

#### Order execution policy

Our order execution policy details the arrangements we have in place to enable us to seek to deliver the best possible result for you when dealing with trading instructions (see Appendix 2). We monitor the effectiveness of this policy and may update it from time to time.

#### Banking partner

Cash deposits as described in section 9 are held with our banking partner, currently the Royal Bank of Scotland plc ("RBS"). We reserve the right to replace our banking partner or appoint other banks or banking institutions as banking partners at any time.

#### Zurich Assurance Ltd

Zurich Assurance Ltd is part of the Zurich Group. It is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registered in England and Wales under company number 02456671. Registered Office: The Grange, Bishops Cleeve, Cheltenham, GL52 8XX. Its FCA registration number is 147672.

We will hold your cash and investments in line with the FCA rules on client money and the custody of investments. For more on the way we hold client money and investments please see sections 9 and 13.

We will make payments from your plan in pounds sterling.

We will treat you as a retail client.

#### Retail client

This is the FCA categorisation of investor that is applied to you and that determines the level of regulatory protection you are afforded under the FCA rules. Retail clients receive protection, for example in relation to compensation or complaints.

We may delegate some of our functions to sub-contractors.

#### Sub-contractor

A third-party appointed by us to provide services to us to enable us to administer your plan. This may include suppliers we engage to process data such as IT and investment administration service providers or any discretionary fund management arrangement appointed by us or our affiliates.

#### Affiliate

Any subsidiary or holding company of Sterling ISA Managers Limited and each subsidiary of such holding company (excluding Zurich).

Where we delegate any of our functions under section 23.3, we will do so in line with the FCA rules.

We have appointed Sterling ISA Managers (Nominees) Limited as our nominee to hold some of the scheme's investments (see section 13). Sterling ISA Managers (Nominees) Limited is not authorised by the FCA. However we are regulated by the FCA, and accept full responsibility for Sterling ISA Managers (Nominees) Limited's acts and omissions as our nominee.

Please see 'Important information on Zurich pension funds' at the back of this document for information on discretionary fund managers.

In these terms and conditions, to the extent that we can use our discretion, make a decision, require information, evidence or use our judgement, we will act reasonably, proportionately and fairly and in line with the FCA rules and any other applicable laws.

## 4. Who can have a plan?

There is no maximum age to start this plan, however you must be under age 75 to make payments. You must be aged 16 or over to start the plan. You must be a UK resident and eligible to make payments.

If you want to make payments into the plan, you must be a 'relevant UK individual' as defined by HMRC. This means that you must:

- have 'relevant UK earnings', or
- be resident in the UK at sometime during the tax year, or
- have been resident in the UK both at some time in the five year period ending on the most recent 5 April and when you took out the plan, or
- have general earnings from overseas Crown employment that are subject to UK tax, or be married to, or be in a civil partnership with, a person who has such earnings.

#### UK

The United Kingdom of England, Northern Ireland, Scotland and Wales. It does not include the Isle of Man or the Channel Islands.

#### Relevant UK earnings

Earnings that are chargeable to tax in the UK in respect of earned income. This could be salary, income from a trade, profession or vocation, patent income or income derived from the carrying on of a UK or EEA furnished holiday letting business.

You must tell us as soon as you can if you know or suspect you have stopped qualifying as a 'relevant UK individual' as defined by HMRC.

## 5. Your right to cancel or opt out

If this plan is part of your employer's workplace pension scheme, your right to opt out or cancel depends on whether your employer has reached its staging date, see the section in the introduction on page 3 headed 'Auto enrolment' for more about this.

If your employer has reached its staging date, when you are enrolled or re-enrolled into the plan by your employer, you will have the right to opt out during the one month opt out period. We will send you details of how to opt out. If you give notice to opt out during the opt out period, we will return any payments you or your employer have made during the period and you will be treated as if you had not joined the plan.

Please note, any gain in the value of your investments up to the point at which you opt out will not be returned to you.

If your employer has not reached its staging date, you will have cancellation rights.

### **5.1 Your 30-day cancellation period**

When we issue your plan documents, we will send you a cancellation notice together with information on how to cancel your plan.

If you change your mind about having the plan, you can cancel it within 30 days of receiving your cancellation notice by completing and returning the cancellation notice to us.

If you cancel what we return will depend on the following:

- If the payment was a regular payment, then we will repay the amount we received at the time your plan started.
- If the payment was a one-off payment, we will return the payment, less any fall in value.
- If you have invested in exchange-traded investments (see section 8.4.2), you will be liable for taxes, levies and charges (see section 14.1.4).
- Any gain in the value of your investments up to the point at which you cancel will not be returned to you if you cancel during the 30-day cancellation period.

After the cancellation period, you will not be able to access your money in this plan, or any other pension plan if you decide to move it, until you take your benefits.

### **5.2 Your right to cancel flexible income**

If you have started this plan to take a flexible income, please see section 16.2.3 for more information about cancelling.

### **5.3 Your right to cancel a transfer payment**

Regardless of whether you have the right to opt out or have cancellation rights when you join the plan, you have cancellation rights in respect of any transfer payment which you make to the plan.

If you started your plan by making a transfer payment, we will try to return it to the transferring scheme, less any fall in value. If the transferring scheme refuses to take the transfer back, you will be responsible for finding an alternative registered pension scheme to which the transfer payment will be paid. Each subsequent transfer payment you make will be treated in the same way, with a new 30 day cancellation period.

Your key features document – information specific to your plan will give you more details about your cancellation and opt out rights.

### **5.4 Adviser payments**

If we have facilitated an adviser payment from your plan we will return any payments, less the adviser payment. If you have requested an adviser payment but we have not facilitated the payment by the time we receive your cancellation notification, you may also still be liable for any outstanding adviser payments. Any refunds will need to be discussed and agreed between you and your adviser.

## **6. Managing your plan**

You can choose to manage your plan through the website or by telephone and post. If you decide you want to manage your plan by telephone or post, you will only have access to a limited range of funds.

Some instructions, such as closing your plan and arranging transfer payments, may not currently be possible on the website. If so, the website will give instructions on what you need to do or you can ask us.

Some plan features, such as access to some investments, are only available through the website and you must manage such investments through the website.

If you decide to use the website to manage your plan, all the information and support to help you manage your plan is available on the website. If you decide not to use the website, you can contact us with your instructions using the details in section 32.

A valuation of your investments can be found on the website. We rely on information provided by a sub-contractor in order to make valuations. Each investment holding value will be based on the latest valuation data available to us.

## **7. Payments into your plan**

If your employer has arranged the plan and, if it is subject to the auto enrolment rules, they will make payments to it on your behalf of at least the minimum required by those rules, as long as you make any payments which you are required to make, too.

The plan can accept personal payments, employer payments (if applicable) and transfer payments (see section 7.4) from other registered pension schemes.

You cannot make payments to your plan after you reach age 75.

### **7.1 Minimum and maximum payments**

The rate of your regular payments will be shown in the plan schedule which we send you on becoming a member. The auto enrolment rules (if applicable) set a minimum amount which your employer must pay to your plan. They also set a minimum for the total payments which you and your employer, between you, must pay. If your employer's payments are less than the total payments required to meet the rules, your payments will need to make up the difference.

If you want to pay less than the difference required to meet the auto enrolment rules, and your employer agrees, you may do so. But your employer will no longer be required to contribute and may choose to reduce or stop its payments. Your employer will increase your regular payments back up to the minimum required by the auto enrolment rules in the future, usually every three years.

We may also apply maximum and minimum payment limits in the future if it is reasonable to do so. If we do, we will notify you in line with section 21.

### **7.2 Regular payments**

You or your employer can make regular payments directly from your salary (after other deductions) as a percentage of your pensionable salary if this plan is part of your employer's workplace pension scheme. Otherwise, you can make regular payments by direct debit. You can start, stop or change these payments at any time.

You cannot make regular payments into exchange-traded investments. Section 8 has more on exchange-traded investments.

#### **7.2.1 Employer payments**

Your employer will agree with you how much it will pay into the plan and the frequency of its payments. The frequency will be in line with any additional regular payments you make from your salary. These payments will be paid directly to us.

Your employer will arrange for the agreed payments to be sent to us. The payments will be invested in line with your investment choices.

Payments made by salary sacrifice are treated as employer payments.

**7.2.2 Regular payments from your salary**  
How often payments are made directly from your salary will depend on how often your employer pays you, for example, weekly, four-weekly or monthly.

Your employer will arrange for the agreed payments to be sent to us. The payments will be invested in line with your investment choices.

If you leave your employer, these payments to your plan will stop.

#### **7.2.3 Direct debit payments**

You can choose for regular direct debit payments to be taken from your bank account at the interval you choose – monthly, quarterly, half-yearly or yearly.

If you make direct debit payments you must choose a payment date between the 1st and 28th day of the month inclusive. We will collect payments on that day or if it is not a business day, the next business day.

We will arrange for payments to be invested in line with your investment choices.

#### **Business day**

A day on which commercial banks are open for business in London except a Saturday, Sunday or a bank holiday in England.

If you change your direct debit payments within eleven business days of the next scheduled payment date it will not take effect until the following payment date.

### **7.3 One-off payments**

One-off payments can be paid by cheque or with your employer's agreement be taken directly from your salary (after other deductions) if this plan is part of your employer's pension scheme.

If you want to make a one-off personal payment by cheque to invest in wider market investments, you must give us your instructions through the website, following the on-screen instructions.

#### One-off payments by cheque

If you send us a one-off payment by cheque without investment instructions, where we invest it will depend on any existing regular payments:

- Irrespective of any other payments you may be making, for example personal payments through direct debit, if you are making regular payments through salary, we will invest it in line with these regular payments.
- If you are only making personal payments by direct debit, we will invest it in line with these.
- If you are not making any regular payments, we will invest it in line with the default investment option as described in section 8.1.
- If you have started your plan with a transfer payment to access flexible income and you subsequently send us a one-off payment by cheque, this will be held as cash in your plan until we receive investment instructions.

If we receive a payment without clear investment instructions after your selected retirement age (section 8.2), we will contact you for your instructions. Until we receive your investment instructions the payment will be held as cash in your plan. If we cannot contact you, we will contact your employer for your contact details.

#### One-off payments through salary

Any one-off payment made through your salary without investment instructions will be invested in line with any regular payments you are making through salary. If you are not making any regular payments through salary, we will invest it in line with the default investment option as described in section 8.1.

### 7.4 Transfer payments

Subject to our agreement, you may transfer your existing pension benefits into the plan. Any transfer must be from a registered pension scheme.

Certain rights, such as a protected retirement age or rights to a tax free cash lump sum of more than 25% of your personal fund, may be protected if the transfer is part of a bulk (or block) transfer. You will not get tax relief on the transfer amount.

In line with section 2.2, you will need to make sure a transfer is the right choice for you.

When you apply to transfer existing pension benefits to your plan, if you are part of your employer's workplace pension scheme, you will

need to tell us if you want to invest in the default investment option as described in 8.1, or in line with your existing regular payments. If you have more than one payment type, for example personal payments and regular payments through salary, if you choose to invest in line with existing payments, we will invest in line with section 7.3, 'One off payments by cheque'.

If this plan is or was part of your employer's workplace pension scheme and you have passed your selected retirement age at the date we receive your transfer payment, the default investment option will not be available. You will need either to transfer to cash and then select your own investments through the website or ask us to move your selected retirement age to a date in the future.

If you are transferring into this plan to take a flexible income, please read section 16.2.3.

### 7.5 Payment clearance

We will treat payments as available for investment on the date we receive them, for example we do not wait for a cheque to clear before investing it. If a direct debit payment is subsequently not honoured, or a cheque is not cleared, we will cancel the instructions to buy investments or sell the investments we have bought on your behalf. We will hold you responsible for any investment loss and/or costs we reasonably incur from transactions resulting from any payment that is not honoured, for example any investment loss or stockbroker charges we incur for investing in exchange-traded investments. These losses and/or costs will normally be met from cash held in your plan or where there is insufficient cash to cover the full cost, from selling investments in your plan in line with section 15.

### 7.6 Tax relief and tax charges

We will not accept any payments from you that are not eligible for tax relief. The maximum limit for payments that are eligible for tax relief is the greater of your yearly earnings and the basic amount, currently £3,600.

Income tax and National Insurance Contributions (NIC) are deducted from your earnings before your payments are taken (this does not apply to employer payments under section 7.2.1). We will get basic rate tax relief on your one-off and regular payments from HMRC on your behalf.

In respect of any period where you are a Scottish rate tax payer, should the tax rates differ and we are unable to claim the appropriate basic rate of tax relief you are entitled to, HMRC will make any adjustments that might be needed to your tax position through Self Assessment or through your PAYE coding.

We receive tax relief at the basic rate on payments made on your behalf, excluding payments from your employer. However, HMRC only allow tax relief on personal payments up to age 75.

We will credit this tax relief to your plan at the same time we receive your payment.

If you are a higher or additional rate taxpayer, you may be able to claim higher rate or additional rate tax relief on your one-off and regular payments from HMRC through your tax return. The extra tax relief is not credited to your plan.

You will not receive tax relief on any transfer payments or any payments made by your employer into your plan. You are currently not liable to pay income tax or national insurance on payments made by your employer.

The payment you agree to make is the total of your payment and the basic rate tax relief. This means that if basic rate tax relief is reduced, your payment will increase to keep the total payment the same.

If your payments are on a salary sacrifice basis, we will not receive tax relief on them. Your employer will make additional payments and you will not pay tax and National Insurance on the amount of salary you sacrifice.

You will need to let us know by 5 April of the relevant tax year if you stop being eligible to continue paying into the plan as there may be tax consequences.

#### 7.6.1 Lifetime allowance charge

When you are ready to start taking benefits from your plan, you will need to provide any evidence of lifetime allowance previously used and any protection obtained from HMRC. We will tell you what we need nearer the time.

The option to take a tax free cash lump sum depends on you having sufficient lifetime allowance available. If you do not have sufficient lifetime allowance, any lump sum paid under your plan above your lifetime allowance will be subject to a tax charge.

#### Lifetime allowance charge

If the total of your combined pension funds when you take your benefits exceeds the lifetime allowance, you will have to pay a lifetime allowance charge on the excess. We will deduct this from your plan and pay it to HMRC before we make any payment to you.

#### 7.6.2 Annual allowance charge

Payments made by both you and your employer count towards the annual allowance. If your own and your employer's payments exceed the amount specified by HMRC, you can ask us to pay any charge directly from your plan value. If we agree to pay the charge, we will arrange for investments to be sold in line with your instructions to meet this charge.

#### Annual allowance charge

The Government sets a maximum amount you can make to all your registered pension schemes in any year. If your total payments exceed the annual allowance you may have to pay HMRC a charge on the excess.

If you're a high earner, your annual allowance could be reduced. This is known as the tapered annual allowance.

#### Money purchase annual allowance (MPAA)

If you take an income from this plan or any other registered pension schemes by flexi-access drawdown or an uncrystallised funds pension lump sum, a lower annual allowance applies. The MPAA will apply to any payments you subsequently make to a money purchase scheme. For more information please see 'A guide to pension tax' which can be found on the website.

### 7.7 Payment changes from salary

If you are making payments from your salary, you will need to tell your employer if you want to increase, decrease, or stop your payments. Your employer will then adjust the payments into your plan as soon as reasonably possible.

Any request to change payments from your salary will take effect when it has been agreed by your employer. Payments linked to salary increases will be automatic.

If you ask your employer to change the payments, the change will take effect from the next payment date if there is enough time to process the request. If not, for example if your request is made too close to your salary pay date, it will take effect from the following payment date.

Payments may increase or decrease on agreed dates and your employer will tell you if this applies.

If you stop making payments, your plan can stay invested until you take benefits. However, we will continue to take charges. Please see section 14 for more on this.

As long as you are still eligible to pay into the plan, you can ask your employer to start payments again at any time. See section 18 for details of the payments you can make into your plan if you leave your employer.

## 8. Investment options

We, taking into account any wishes or guidance of your employer and their EBC (employee benefit consultant) if applicable, will select a range of investments to make available in your plan. Information on the investments available is on the website. We may change the range of investments – the current range can be found on the website.

It is your choice how payments are invested from the range of permitted investments, and we will not provide you with any regulated financial advice.

You can invest different payments in different investments. For example, you can direct regular payments from salary into one or more investments whilst directing a transfer, one-off payment or personal payment to a different investment.

You must familiarise yourself with the risks associated with the investments you choose to invest your plan in. Just because an investment is available, that does not mean that it will be suitable for your knowledge and experience, financial situation and investment objectives. If you are in doubt about your investment selection, we recommend you talk to a regulated financial adviser.

Your plan value may increase or decrease depending on the performance of your chosen investments, or currency fluctuations in your chosen investments. We are not responsible for any costs, claims, demands, losses, or expenses suffered by, or arising from, a decrease in your plan value, unless it was caused by our negligence or wilful default (in line with section 23.4).

If you are a member of your employer's workplace pension scheme, when joining the plan your payments will be automatically invested in the default investment option chosen by Zurich. Once the plan has started, you do not have to change the investment option chosen by Zurich until you move into flexible income. However, if you want, you can choose to switch from the default investment option to an investment option of your choice.

If you choose to use the flexible income option, you will be required to initially choose from a small range of Zurich pension funds.

### 8.1 The default investment option

If you select the default investment option or you are enrolled by your employer and have not given us any other instruction as to how to invest your plan, we will automatically direct payments to the default investment option.

The default investment option will be selected by us and, where appropriate, in consultation with your employer and their EBC. It will be designed to be appropriate to a group or groups of employees of your employer, rather than being tailored to any individual.

We are not responsible for providing discretionary investment management services. This means we will not assess the suitability of the default investment option for each individual employee, but will ensure it is generally appropriate for the general characteristics of the relevant group of employees. Our selection of the default investment option will not have taken into account your personal knowledge and experience, financial situation and investment objectives.

We will continue to assess the appropriateness of the default investment option and may change the default investment option from time to time.

If we consider that the default investment option for a particular group of members is no longer appropriate, we can change their default investment option to a different default investment option without seeking each individual member's consent. If we do this we will let you know.

At all times you have control as to how your plan is invested within the range of permitted investments, so you can switch from the default investment option at any point.

If you leave your employer, you will retain the same default investment option.

We may use a lifestyle strategy as the default investment option, see section 8.2 below.

### **8.2 Lifestyle strategies**

There may be a number of lifestyle strategies available for you to invest in. Each lifestyle strategy is made up of one or more Zurich pension funds. A lifestyle strategy means your investments are moved into less volatile funds as you approach your selected retirement age. This can be useful to help mitigate the impact of unexpected falls in fund prices as you reach retirement, but could also mean you miss out on future investment growth as you approach retirement.

If you have invested in a lifestyle strategy, it will end when you reach your selected retirement age. This means your investments will remain in the Zurich pension fund or funds and we will stop moving your investments. You can change your selected retirement age but before you do, you should review your chosen lifestyle strategy to make sure it remains appropriate for your needs.

More information about the lifestyle strategies available to you can be found on the website.

See section 22.2 for details of the changes we can make to lifestyle strategies and how we will do so.

### **8.3 Zurich pension funds**

The funds available through your plan are provided by Zurich Assurance Ltd. We refer to these funds as Zurich pension funds.

For details about Zurich pension funds, their charges and Zurich Assurance Ltd's roles and responsibilities, please see the 'Important information about Zurich pension funds' at the back of this document.

Please see section 22.1 for information on changes to Zurich pension funds.

### **8.4 Wider market investments**

If your plan is or was part of an employer's workplace pension scheme, we may make a range of wider market investments available if this has been agreed between your employer and their EBC.

If you join the plan with a transfer payment to immediately use flexible income, we may make a range of wider market investments available to you.

Information about these investments can be found on the website.

When we refer to wider market investments we mean you may have access to investment funds or exchange-traded investments. You can only access these investments through the website. Different investments carry different levels of risk. We will highlight these risks in the fund factsheets which are available on the website. You should not access these investments unless you are prepared to research the investment(s) to ensure that they meet with your objectives, match your attitude to risk, and you are aware you could get back less than your initial investment. You should always speak to a regulated financial adviser if you have any doubts about the investment decisions you are planning to take.

A valuation of the wider market investments under your plan can be found on the website. We rely on information provided by a sub-contractor in order to make valuations. Each investment holding value will be based on the latest valuation data available to us.

If you decide to make investments in investment funds, or exchange-traded investments, or both you will be consenting to Zurich's order execution policy that can be found in Appendix 2.

#### 8.4.1 Investment funds

##### **Investment funds**

These are a range of collective investment schemes which may include:

- unit trusts
- Open Ended Investment Companies (OEICs)
- Societe d'Investissement A Capital Variable (SICAVs)
- any other collective investment scheme we make available to your plan from time to time.

The investment funds made available to you are collective investment schemes that are operated and managed by fund managers, and not by us. The fund managers are responsible for all investment decisions in respect of the investment funds. Their investment decisions will affect the investment performance of the investment funds. You can find details of the funds in the fund factsheets, key investor information documents and prospectus or simplified prospectus available through the website.

Your investment fund holdings will be valued in pounds sterling based on the last available price provided by the fund manager(s). We are not responsible for pricing information and the price you get for a buy or sell order will be the price when the investment fund is next valued (the next 'valuation point'). There is a cut-off time before each valuation point, if we receive your instructions after the cut-off time, you will receive the price at the following valuation point. Details of the next valuation point and cut-off time for each investment fund can be obtained from the fund manager, or from us on request.

#### 8.4.2 Exchange-traded investments

##### **Exchange-traded investments**

A range of sterling denominated securities listed on UK exchanges, which may include:

- shares in the FTSE 350 Index
- government bonds (gilts)
- any other exchange-traded investment we make available from time to time.

Unless we agree otherwise, only investments that are available on UK exchanges such as the London Stock Exchange are available. We have nominated a stockbroker to provide execution only dealing services. Trading in these investments is made available to you through that stockbroker and instructions can only be given through the website.

We reserve the right to change the nominated stockbroker or nominate other stockbrokers if required. Telephone trading is not available unless we agree otherwise.

You must be at least 18 years old to invest in exchange-traded investments.

Your instructions will be transmitted to our nominated stockbroker in line with our order execution policy.

All purchases must be made from cash held in your plan.

You will have to pay charges when buying or selling exchange-traded investments, as detailed in section 14.1.4.

If you buy shares in a company that is later removed from the FTSE 350 index, you can keep that shareholding or sell it, but you will not be able to buy any additional shares in that company, unless it is reinstated to the FTSE 350 index.

#### 8.4.3 Dividends and income distributions

Investment income generated from your investment funds and exchange-traded investments will be held as cash in your plan and will start earning any interest due when we receive the cleared funds.

We will reclaim any tax in respect of income distributions where appropriate and credit the tax amounts reclaimed to your plan. These tax reclaims will be held as cash in your plan and will be credited to your plan after the relevant income distribution itself has been received as there is a time delay before HMRC pay the tax refunds to us.

## **9. Cash deposits**

Cash may arise from your payments, a corporate action on an investment fund or shares, receipt of dividend income distributions and interest on cash balances. Any cash held in your plan will be treated as client money and will be held in a client money account until you use it to buy investments.

You will need to review the amount of cash held in your plan, for example to make sure you have enough to pay charges. Unless you tell us otherwise or we need to deduct charges in line with section 14, all cash will remain as client money in your plan.

Cash deposits may earn interest and may be subject to charges. See section 14 for more on this.

For details of how cash deposits are held see section 13.

### **9.1 Interest on cash deposits**

Where you hold cash deposits in your plan, we may pay a variable rate of interest from the date of receipt of any deposit, with any such interest being calculated daily on the balance of your cash deposit. Our banking partner sets the interest rate and has the discretion to change it. You can find the current rate of interest, net of any proportion of the interest rate we retain as an interest charge that applies to your plan, on the website.

If our banking partner subsequently changes the variable rate of interest that applies to cash deposits held in your plan, we will pass on the change to you. The revised rate you receive will be effective from the date we make the change to your plan, which will be within 5 days of us being informed of the change by our banking partner. The revised rate you receive will take into account any adjustments for our charges on interest in line with section 14.1.1.

Cash holdings will earn interest from the day they become cleared funds in your plan. As described in section 13 we hold cash as client money in pooled bank accounts with our banking partner. Where we receive a payment, or other cash amount, it will not earn interest until it has been identified and credited to your plan.

A payment may not be allocated, for example if we are unable to identify who sent us the money.

We will pay any interest on cash deposits held in your plan by crediting your plan on the first business day of each month, following any deductions of charges on interest in line with section 14.1.1 (if applicable). If you transfer your plan value to another provider in a particular month, we will pay you any interest due for that month up to when the transfer instructions are processed by us.

You will not earn interest on payments that do not clear.

## **10. Buying and selling Zurich pension funds**

This section only applies to transactions relating to Zurich pension funds, which are provided through Zurich Assurance Ltd. We arrange to buy, sell and switch units in Zurich pension funds on your behalf.

Zurich Assurance Ltd selects fund management companies or other life insurance companies to manage the assets of the Zurich pension funds and to make investment decisions in respect of the assets. Please read 'Important information about Zurich pension funds' for more on this.

If you invest your payments in Zurich pension funds, those payments will buy units in the funds.

We will not buy or sell units in relation to a transfer, a one-off personal payment or a claim until all our reasonable requirements have been met.

There may be occasions where your transaction is delayed due to another transaction being in progress. For example, if investments are being sold from your plan you will be unable to sell any further investments from the same Zurich Pension fund or funds until the initial transaction has completed.

### **10.1 Buying units**

Provided we receive your payment, instructions and all other associated documentation required by 9.30am on a business day, we will arrange to buy units by the end of the following business day. Where we receive your payment, instructions and all other associated documentation required after 9.30am, or on a non-business day, we will treat it as being received on the next business day and we will arrange to buy units by the end of the following business day.

If a fund manager or life insurance company is late or fails to make their prices available we reserve the right to price the units of the Zurich pension fund using the most recent market prices.

### **10.2 Selling units**

We arrange to sell units:

- to pay certain charges, for example the fund-based charge
- if you cancel a payment in line with sections 5 and 16
- when you switch funds
- when you take benefits

- if you transfer out of the plan; and
- to pay any death benefits.
- If there is insufficient cash to pay charges or facilitate the payment of an adviser fee, we will apply the dis-investment strategy detailed in section 15.

Provided we receive your sell instructions and all other associated documentation required by 9.30am on a business day, we will arrange for units to be sold by the end of the following business day. Where we receive your instructions and all other associated documentation required after 9.30am or on a non-business day, we will treat them as received on the next business day and we will arrange for units to be sold by the end of the following business day.

If the fund manager or life insurance company is late or fails to make their prices available we reserve the right to price the units of the Zurich pension fund using the most recent market prices.

In exceptional circumstances we may delay the selling or switching of units in a Zurich pension fund where the provider of the underlying assets (namely, the fund manager or life insurance company) delays or defers the sale of the assets for a period of time. In our experience, this could be for a period of up to 12 months where the underlying assets are directly or indirectly linked to the value of land or buildings. Where the underlying assets are not directly or indirectly linked to the value of land or buildings there may be a delay for a period of one month. In some circumstances there may be a further delay where the fund manager or life insurance company decides that a further delay or deferral period is in the best interests of all unit holders.

In the event of a delay, we will inform you as soon as reasonably practicable of what the delay will be or, where this is not possible, what we expect it to be.

For more details please refer to the 'Important information about Zurich pension funds' at the end of this document'.

## 11. Buying and selling wider market investments

You must give us online trading instructions to buy and sell wider market investments on your behalf through the website. We will transmit those instructions to the appropriate investment

fund manager, or our nominated stockbroker, who will, once it has confirmed receipt of the instruction or instructions, buy or sell investments in accordance with those instructions.

We will usually produce a contract note for each completed buy and sell trade. By trading in wider market investments you consent to receiving contract notes electronically. We will produce the contract note at the end of each business day in which a trade has been completed. Contract notes will be placed in the 'my documents' section of the website. We will inform you if an instruction cannot be processed.

The price at which wider market investments are bought or sold will be the price at the time the trade is confirmed by the investment fund manager or our nominated stockbroker. The timing of the confirmation will depend on the instructions we receive from you, the type of asset and the trading terms applied by the investment fund manager or our nominated stockbroker.

When you buy gilts, you will incur an additional cost representing the interest accrued since the last interest payment was made, this will be paid to the seller. When you sell gilts, you will receive a credit equivalent to the interest accrued since the last interest payment was made.

There may be occasions where your transaction is delayed due to another transaction being in progress. For example, if assets in an investment fund are being sold from your plan you may be unable to sell any further assets in that investment fund until the initial transaction has completed.

### 11.1 Trading instructions

Instructions relating to the buying and selling of wider market investments must be given online.

Instructions to buy wider market investments will only be executed when matched with the appropriate payment, as described in section 11.2.

Where applicable, we will process trading instructions by transmitting them to the appropriate investment fund manager or our nominated stockbroker in line with our order execution policy (see Appendix 2).

Our nominated stockbroker provides an execution-only dealing service. This means they will not advise you about any particular investment or instruction you give, or assess whether any investment or instruction is suitable for you.

**11.1.1 Confirmation of trading instructions**  
If you are buying or selling exchange-traded investments the maximum value of a single buy or sell transaction on a specific investment is £24,999.99.

So, for example, if you wished to buy or sell more than £24,999.99 of a particular exchange traded investment this would involve more than a single trade, with each trade resulting in a dealing charge.

Trading instructions we transmit to investment fund managers or our nominated stockbroker will be executed by them in line with their order execution policies.

For exchange-traded investments, we will only be able to commit to carry out a trading instruction once our nominated stockbroker has confirmed its receipt. If this information is not received by us, we will notify you.

### **11.2 Buying wider market investments**

We will transmit trading instructions to buy wider market investments to the relevant investment fund managers or our nominated stockbroker in line with our order execution policy (see Appendix 2). We will only do so after we have received the information that we reasonably request and matched the trading instruction with the appropriate payment, either a cash transfer, cash balance or the proceeds of a sell instruction.

### **11.3 Selling wider market investments**

Where we receive an appropriate instruction to sell wider market investments together with any other information that we reasonably request, we will transmit the instructions to the relevant investment fund manager or our nominated stockbroker as soon as is reasonably practicable and then in line with our order execution policy (see Appendix 2).

On receipt of confirmation of the sell instruction from the relevant investment fund manager or our nominated stockbroker, the proceeds will be immediately available for investment.

When you come to sell wider market investments, you should be aware that:

- it may take a long time to sell certain investments, and
- some investments cannot be sold until the end of a specified period.

We will transmit instructions to the investment fund manager or our nominated stockbroker, they will decide whether they can complete that instruction.

### **11.4 Incomplete transactions**

In some circumstances it may not be possible to execute a transaction. This may happen if an investment is not tradeable when the instruction is placed because, for example:

- a fund has been closed to new investment, or
- a share has been suspended.

Where a failed transaction relates to a buy instruction, the payment will remain held as cash in your plan and will be available for investment. If you have placed a trade involving an exchange-traded investment which has not been completed successfully we will contact you and inform you of this.

### **11.5 Order aggregation**

When buying or selling holdings in investment funds, we, or any person dealing with instructions on our behalf, may aggregate your transactions in a particular fund on a particular day with those of other members in the same fund and on the same day. The costs of such aggregated transactions will be allocated on a fair and reasonable basis.

Where transactions are aggregated, it is possible that the cost to you could be higher than if the transaction had not been aggregated. For example, this may occur if more money is flowing out of an investment fund than into it, and the investment fund manager reduces the unit price of the fund to protect the remaining investors. In such circumstances, we will usually treat this reduced unit price as the relevant value for your transaction, adjusted if necessary, to take account of any associated buying and selling costs.

### **11.6 Deferring transactions**

Acting reasonably, we may delay or suspend the transmission of any trading instruction to an investment fund manager or our nominated stockbroker, for any of the reasons detailed in our order execution policy (see Appendix 2). We will not be liable for any losses caused to you by our decision to delay or suspend a trading instruction.

Where possible, we will transmit a deferred trading instruction at the next available opportunity. Otherwise we will cancel the transaction and inform you.

Our nominated stockbroker or the investment fund manager may delay or suspend the execution of any trading instruction. Where an instruction to trade cannot be executed we will inform you that the trade has failed.

### **11.7 Correcting trading errors**

If, following the execution of a trading instruction, we determine that your asset holdings are incorrect, we will return you to the position that you would have been in had that trading instruction been executed correctly. Where possible, we will correct the asset holding by buying or selling the appropriate number of units or shares in the applicable investment. Where the amount due to your account in any asset holding is less than £10, or if the fund manager will not accept the trade, we will pay the difference as cash into your plan and not buy any units or shares.

Should legislation or regulation prevent us from making such a correction to your plan, we will determine an appropriate method of redress and inform you.

## **12. Switching and redirection**

You can request a switch or redirection through the website.

Where we receive a trading instruction to buy units in an investment fund or Zurich pension fund using the proceeds from units sold in another of those funds, known as a 'switch', sometimes the fund from which units are being sold can have a longer settlement period than the one in which the units are being purchased. The settlement period for funds is the time between the confirmation that the trading instruction has been carried out, and the investment of the money to finalise that trade. Where this occurs, we are required by the FCA to ensure we have sufficient assets available to cover the liability which arises between the purchasing of the units and our receiving settlement from the fund in which units have been sold. We may delay the purchase of units in a fund, pending receipt of the proceeds of the related sell instruction, where we reasonably believe that the level of the assets, which we are required to hold in respect of all of our customers, may adversely affect our liquidity. If we have to delay a transaction for this reason, we will tell you as soon as we reasonably can and will keep you informed about when the transaction may complete.

### **12.1 Redirection**

You can change the investments to which future regular payments are invested at any time, although you cannot make regular payments to exchange-traded investments.

We do not charge for redirection. Where we receive your instruction to redirect your payments 11 business days or more before the next payment date, the redirection will take effect from the next payment date, if we receive the instructions within 11 business days of the next payment date the redirection will take effect from the payment date following the next payment date.

### **12.2 Switching between Zurich pension funds**

If you want to switch from one Zurich pension fund to one other Zurich pension fund, provided we receive your instructions by 9.30am on a business day, we will arrange for the switch to be processed by the end of the following business day. Where we receive your instruction after 9.30am, or on a non-business day, we will treat it as being received on the next business day and we will arrange for the switch to be processed by the end of the following business day.

There may be a delay in us completing your switch if:

- the investment fund manager makes their prices available later in the day, or on a different day
- the switch involves switching from one lifestyle strategy to another lifestyle strategy, or switching into or out of a lifestyle strategy from another investment.

If you instruct us to switch from or to a lifestyle strategy when it is being rebalanced we reserve the right to stop your instructions or to delay processing your instructions until any rebalancing has been completed.

#### **Rebalancing**

Rebalancing means keeping the proportions of the underlying fund mix of the lifestyle investment in line with the rebalancing strategy your employer and their EBC agreed with us, if applicable.

In exceptional circumstances, we may delay the switch if we have to delay the sale of units in line with section 10.2. If we have to delay a switch, we will contact you as soon as reasonably possible, and will keep you informed.

There may be occasions where your transaction is delayed due to another transaction being in progress. For example, if investments are being sold from your plan you will be unable to sell any further investments from the Zurich Pension fund or funds until the initial transaction has completed.

We currently do not charge a switching fee. However, Zurich Assurance Ltd may charge a switching fee in the circumstances described in the 'Important information about Zurich pension funds' at the back of this document.

We may decide to introduce a switching fee in future. If we do so, we will tell you what the fee is at that time. The fee will be what we consider a proportionate and appropriate amount to cover our reasonable administrative costs for making fund switches.

### 13. Ownership and custody of investments

You will at all times remain the beneficial owner who has the contractual right to receive the proceeds of the investments under your plan, which will be paid in line with the scheme rules. However, unless we tell you otherwise, the investments you hold in your plan will be legally registered as follows:

- your plan holdings in Zurich pension funds will be held in the name of Zurich Pension Trustees Limited. Please see the 'Important information about Zurich pension funds' at the back of this document for more information.
- your plan holdings in investment funds will be held in the name of our nominee company, Sterling ISA Managers (Nominees) Limited. These holdings will be designated as belonging to the trustee and held for your benefit. We may appoint an alternative nominee company in place of Sterling ISA Managers (Nominees) Limited from time to time.

Sterling ISA Managers (Nominees) Limited  
We have appointed Sterling ISA Managers (Nominees) Limited as our nominee to hold investments on our behalf. Sterling ISA Managers (Nominees) Limited is not authorised by the FCA. However we are regulated by the FCA, and accept full responsibility for Sterling ISA Managers (Nominees) Limited's acts and omissions as our nominee.

- your plan holdings in exchange-traded investments will be held by our nominated stockbroker's appointed custodian's nominee company, or if applicable, its sub-custodian's nominee company. These holdings will be designated as belonging to the trustee and held for your benefit.

Any cash deposits held under your plan or due to your plan will be held by us as client money and deposited in one or more pooled client bank accounts with our banking partner, RBS, or with such other authorised banking institution as we may reasonably determine. We will keep client money separate from the cash that belongs to us in accordance with the requirements of the FCA rules.

Client money is held as part of a common pool of money, so you will not have a claim against a specific sum in a specific account. Your claim will be against our client money pool in general in the event of the insolvency of any of the banks, including RBS, with which we keep client money. Should there be a shortfall in the client money pool after such an insolvency, the FCA rules mean that you may share in the shortfall in proportion to your original share of the claims to the client money immediately before the insolvency.

In the event of insolvency after receipt of a request for the facilitation of an adviser fee, any fees outstanding at that point will continue to be treated as client money. You would be responsible for any outstanding adviser payments.

In the event of any shortfall, you may be able to claim compensation from the Financial Services Compensation Scheme to cover the shortfall. Please see section 25 for more details on compensation. The amount you may be able to claim will depend upon whether we are in default or if the relevant bank is in default.

Other assets may be held in the name of the trustee, Sterling ISA Managers (Nominees) Limited, or in the name of such other custodian or nominee company that we may select.

As units in Zurich pension funds and holdings in investment funds and exchange-traded investments will be registered in the same name as other scheme members, the units and holdings that relate to your plan may not be immediately identifiable by separate certificates of title. We will identify, record and hold all such investments separately from any of our assets in such a manner that the identity and location of those investments can be identified at any time.

If our nominated stockbroker or its appointed custodian or sub-custodian becomes insolvent then there is a risk that there will be a shortfall in the amount of investments available for distribution, and that your full entitlement to investments may not be recovered (and instead, only a proportion of your full entitlement might be recovered). We will use our reasonable endeavours to recover any loss on your behalf.

You may also be entitled to compensation under the FSCS where a third party becomes insolvent (see section 25). For more information about this, please contact us using the details provided in section 32.

We may in accordance with the FCA client money rules allow another person to hold your client money for the purpose of one or more transactions for you with or through that person.

Where we substitute another party in our place as the scheme administrator of your plan, we may transfer your client money to that person. Your money will continue to be held in accordance with the FCA's client money rules, or if not held in accordance with the FCA's client money rules, we will exercise all due skill, care and diligence in assessing whether the person to whom your money is transferred applies adequate measures to protect these sums.

## 14. Charges

This section covers the type of charges that may apply to your plan, our right to increase charges, introduce new charges and how charges are taken from your plan.

If you choose to take flexible income from this plan, charges are calculated and taken from both your Retirement Saver – savings and Retirement Saver – income accounts separately.

If we want to increase our charges or apply any new charge, we will do so in line with the requirements of section 14.2.

### 14.1 Types of charges

The following types of charges may apply to your plan depending on how you invest your payments.

Specific details of the actual charges that apply at the start of the plan, or when you choose to take your benefits, are detailed in 'Your investment choices and charges' document which can be found on the website.

#### 14.1.1 Our charges Fund-based charge

We take a fund-based charge based on the value of each investment you are invested in.

We will apply a fund-based charge as a yearly percentage of the value of each investment that you hold in your plan, calculated daily as the daily equivalent of the yearly percentage.

We calculate fund-based charges daily and take them monthly in arrears. We will calculate the

charge on the same date each month determined by the date we upload your joining details and we will then take the charge on the next business day.

We will calculate the value of the fund-based charge for each investment individually based on the values of the individual investment holdings in your plan; these are then added together to give the overall fund-based charge for your plan.

For example, you have investment holdings in two funds, Fund A and Fund B and their respective fund-based charges are 0.1% and 0.2% each year. Each day we will calculate the daily equivalent of 0.1% of the value of Fund A and 0.2% of the value of Fund B and add these together to give the overall fund-based charge each month.

The charges will be deducted monthly from any cash held in your plan. Where there is not enough cash in your plan to cover the full amount of the charges we will arrange for investments to be sold in line with the disinvestment strategy detailed in section 15.

Where we invoke the disinvestment strategy, there will be a delay in taking this charge.

These charges are taken after any other transactions for the day are completed.

### Interest charges

In respect of any interest which we or the trustee receive from our banking partner for any cash deposits held in your plan, we may either;

- retain a proportion of the interest rate received from our banking partner and pass a lower rate onto you in line with section 9.1, or
- pass on the full interest rate and deduct a separate fund-based charge on the total value of your cash deposits.

Where we retain an amount of interest as a charge or take a percentage charge, we will show this on the website.

### Dealing charge

We take a charge for each exchange-traded investment bought or sold on your behalf. The charge is currently £9.95 for each individual buy and sell transaction.

### Foreign transaction charge

For plans taken out on or after 1 January 2018, where you ask us to make payments to countries outside of the UK, we will charge you £11 for each transaction. This charge may increase if the cost of making foreign transactions increases.

### Changes to our charges

If we change our charges for the reasons outlined in 14.2, we will let you know beforehand if we reasonably can. Otherwise, we will let you know as soon as we reasonably can.

#### 14.1.2 Zurich pension fund charges

The investment fund manager charges and fund expenses are decided by the fund managers and are payable on Zurich pension funds and investment funds. They are shown in the 'Investment charges information' document.

These charges are not deducted from the cash held on your plan, but instead passed on to you (and all other investors in the funds) through periodic charges deducted from the assets of the funds, as described below.

We will not tell you every time fund charges and fund expenses are changed.

### Fund expenses

These will change from fund manager to fund manager, and typically amount to expenses incurred in the day-to-day management of the funds. They include expenses, taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the assets belonging to the fund itself as well as auditors' and custodians' fees. These fund expenses are not fixed and fluctuate over time. They are typically deducted from the fund's assets every day before unit prices are calculated. Some funds invest in a mix of underlying funds and other investments. The investment fund manager alters this mix from time to time in line with the fund's investment objectives. Where fund expenses incorporate the underlying fund charges they will vary with changes to the investment mix.

### Annual management charge (AMC)

Fund managers deduct charges to cover both the cost of their investment management and their profit. These charges are typically deducted from the fund's assets every day before unit prices are calculated.

As part of the AMC, Zurich Assurance Ltd will take a charge on investments in Zurich pension funds. This charge is not deducted from your plan, but is taken by a reduction in the price of units.

Some Zurich pension funds are made up of one or more Zurich pension funds, for example lifestyle strategies. As the mix of these funds changes over time, the AMC will change.

For more information on units and Zurich pension funds, please read the 'Important information about Zurich pension funds' at the back of this document.

### Fund-specific EBC charge

We collect this charge if you are invested in a Zurich pension fund and where the consultants have provided investment allocation services. We take the charge by adjusting the unit price.

The fund-specific EBC charge is paid directly to the EBC by us.

#### A14.1.3 Wider market investment costs and charges

The following charges will be deducted depending on the wider market investments you choose. These charges are deducted by investment managers – not by us.

Managers of investment funds and some exchange-traded investments (e.g. investment trusts) will deduct charges from the investments you hold in your plan. These costs and charges will fall into four categories; one-off, ongoing, transaction and incidental.

- One-off charges are applied by the managers when you buy or sell investments. Examples of these charges are initial charges which will be deducted by the manager before your investment is made into the investment and any bid-offer spreads. A 'bid/offer spread' means units are bought and sold at different prices; in this case the difference between the prices (the spread) represents the charge.
- Ongoing charges taken for ongoing asset management. Examples of charges which may be deducted by managers include investment management fees, custodian fees and research costs. These charges are typically deducted from the fund assets every day before the price is calculated.
- Transaction costs are incurred by managers in buying or selling the underlying investments they hold. Examples of costs included here are brokerage commissions, exchange fees and stamp duty. These costs are deducted from the fund assets before the price is calculated.
- Incidental costs include any performance fees that may be charged by the manager if certain performance levels are achieved within a certain time period. These costs are deducted from the fund assets before the price is calculated.

These charges and any changes to them are decided by the manager and may be increased or reduced without prior notice. All expected costs and charges that apply to any investments being purchased will be shown in your Charges information document. Current charges relating to any investments you invest in, will be detailed in the Charges information document we send you with your regular statements.

Managers may also apply a dilution levy or dilution adjustment to buy or sell transactions; they will only do this where a bid-offer spread does not apply. Managers will deduct any dilution levy before investing a payment or from any payment due to you and this will show on your trading confirmation; any dilution adjustments will be reflected in the fund price.

#### 14.1.4 Taxes and levies for investing in exchange-traded investments

The following taxes, levies and charges will only apply if you buy or sell exchange-traded investments through our nominated stockbroker. They are taken at the time of the transaction, through a reduction of the buy or sell amount.

##### **PTM levy**

For any single trade in shares of more than £10,000 there will be a levy of currently £1. The levy is known as a PTM (Panel on Takeovers and Mergers) levy. This is taken at the time of the transaction.

##### **Stamp duty reserve tax**

Each time you buy exchange-traded investments on a UK exchange you will pay stamp duty reserve tax at the applicable rate and this will be shown on your transaction confirmation. Stamp duty reserve tax is paid to HMRC.

#### 14.1.5 Financial adviser agreed remuneration

Where you appoint a regulated financial adviser you may, with our agreement, arrange for a one-off adviser fee payment from your plan. Please note your plan cannot support regular adviser fee payments.

You will need to agree with your adviser how much you will pay for the advice they provide to you. We will need your written authority before we facilitate the payment.

We will use the instruction provided on the adviser one off payment form to make funds available in line with the disinvestment strategy detailed in section 15.

Any assets sold to pay an adviser one off payment will be held in your cash account and treated as client money until it has been paid to your adviser. This is typically within 5 days of the cash being made available.

There may be occasions where your request for an adviser payment may be delayed due to another transaction being in progress. Please see section 10 for full details of buying and selling Zurich pension funds.

If you choose to cancel your plan or opt out and the process to pay the charge to your adviser has already been initiated, the deduction will be made in full. It will be up to you and your adviser to agree whether any refund is due to you.

#### **14.2 Increases to charges and new charges**

As long as any increase or new charge is proportionate and reasonable, we may increase the charges or introduce new charges for any of the following reasons:

- To allow us to look after your plan more effectively, or to reflect changes in technology or insurance industry practice.
- To take account of a recommendation, requirement, or decision by a court, government body, ombudsman, regulator, industry body or similar body.
- To take account of changes to, or to comply with, law, taxation, official guidance, codes of practice or the way we are regulated, including the amount of capital the FCA require us to keep.
- To take account of changes to levies or charges imposed by law or under the Financial Services Compensation Scheme or by the FCA (unless we are clearly told we must not pass these on to our customers).
- If we appoint a new third party to act on our behalf or if existing third parties such as, but not limited to, our sub-contractors, our nominated stockbroker or investment fund managers choose to introduce new charges or increase their charges.
- To take account of charge increases we incur for fund and investment management services.
- To take account of increases in the cost of making foreign transactions.

Some of Zurich pension funds invest in a mix of underlying funds and other investments. Zurich Assurance Ltd or the investment fund manager may alter this mix from time to time, in line with the fund's investment objectives. All fund-based charges incorporate the underlying fund charges, and so will vary with changes to the investment mix. We will not tell you each time this happens.

## 15. Disinvestment strategy

If your plan does not have enough cash to cover any charges that are due and/or any investment loss we hold you responsible for in line with section 7.5, we will sell holdings in investment funds or Zurich pension funds to cover these.

If you have chosen to make an adviser one off payment we will follow the instructions you have provided on the Adviser one-off payment authorisation form. Where you have not provided an instruction we will take the amount from the fund held with the largest value.

We may sell an additional 5% of your adviser one off payment amount in order to ensure that after market fluctuations there is enough money to pay the full amount. After the payment has been made any cash left over will be invested back into the funds from which it was taken.

If when we go to make the adviser payment you have used the available cash disinvested, we will disinvest further in line with the instructions in the Adviser one-off payment authorisation form to make cash available to make the payment.

If you have chosen to take income from your flexible income account, where the funds you have chosen to take income from are insufficient, we will also follow the disinvestment strategy described below. For specific information about flexible income, please refer to section 16.2.3

We will calculate how much of your holdings need to be sold and will retain the full proceeds from the sell instruction when they are realised.

What we will sell first and how much we will sell, will depend on what you are invested in:

- If you are invested in investment funds, we will first sell holdings from the least volatile investment fund that has enough value.
- If you are invested in Zurich pension funds (and have no investments in investment funds) we will sell Zurich pension fund holdings from the least volatile fund that your plan holds that has enough value and that is not held as part of a lifestyle investment option. However, we will sell holdings in a lifestyle investment option if you are only invested in that option.

If the investment fund manager or life insurance company makes their prices available later in the day, or on a different day, there will be a delay in us completing the sale.

### Least volatile fund

The least volatile fund will be the Zurich pension fund or investment fund you hold with the lowest volatility rating. Volatility is a measure of the amount of price fluctuation that an investment experiences over a period of time. The more a price fluctuates during that period, the more volatile the investment is and the higher its volatility rating will be. The relative volatility of the available Zurich pension funds or investment funds is determined by a sub-contractor appointed by us.

If you hold two investments with equally low volatility we will use a 'last in first out' policy to decide which investment to sell first. We will sell from your most recently purchased investment holding assuming that it has enough value. If it does not have enough value we will sell from the next most recently purchased investment holding that has enough value to cover the charge, or investment loss.

Where you have requested income payments, we will contact you if you are close to exhausting the funds from which you are taking income. If we are unable to contact you, we will automatically set up a regular disinvestment instruction from the next least volatile funds you hold. This will continue until all your funds in the Retirement Saver – income account have been used up or you contact us with alternative instructions. For example, you stop your income payments or tell us to take your income payments from an alternative fund.

There are two exceptions to the disinvestment strategy above:

1. If the only investments you hold in your plan are exchange-traded investments, we will not automatically sell these investments. Instead, we will contact you to ask you to place money as cash in your plan. You must either:
  - sell some of your exchange-traded investments so that enough proceeds are held as cash in your plan, or
  - make an additional cash payment to your plan of a sufficient amount, if you are eligible to do so.
2. Where no single investment has sufficient value, we will contact you requesting that you place money as cash in your plan. You must either:

- sell some of your investments so that enough proceeds are held as cash in your plan, or
- make an additional cash payment to your plan of a sufficient amount, if you are eligible to do so.

If, either the first or second exception above apply when we ask you to make cash available and you do not take any action within a reasonable time, usually 30 days, we will sell some of your investments. We will sell enough of your investments to cover the outstanding charges or any investment loss. We will also sell investments to cover the projected following three months charges. We base the projection on the latest charge due. We will sell the minimum amount of an investment holding to cover the charge we calculate. Depending on the price of the investment holding, the amount raised may be more or less than the calculated charge.

## 16. Taking benefits from your plan

### 16.1 Choosing when you want to take your benefits

You can start taking benefits at any time after you reach age 55. You do not need to stop working to take your benefits.

You may be able to start taking benefits earlier than age 55 if you have a protected pension age or if we have accepted evidence that you are suffering from incapacity in line with HMRC requirements and scheme rules.

#### Incapacity

This means that we have received evidence from a registered medical practitioner that an individual is, and will continue to be, medically incapable (either physically or mentally) as a result of injury, sickness, disease or disability of continuing his or her current occupation and the individual has ceased to carry out that occupation.

It is important you know the different options available under this plan, whether they are suitable for you and the tax consequences of your choices. You should speak to a regulated financial adviser if you need more information about these options to help you decide what to do. You can also find information about the tax treatment of retirement benefits and HMRC limits in A guide to pension tax.

When your plan starts we need to know at what age you want to take your benefits. If this plan is part of your employer's workplace pension scheme this age will either have been provided by you or your employer and is your 'selected retirement age'. You can change your selected retirement age through the website or by contacting us.

We will contact you a few months before your selected retirement age with details of your options.

If this plan is or was part of your employer's workplace pension scheme, when you reach your selected retirement age, you may decide that you do not need any benefits at that time. You can continue to make payments if you wish. Whatever you decide to do, you should choose a new selected retirement age. Passing your selected retirement age will have the effect of ending any lifestyle strategies you may hold in your plan even if you later change your selected retirement age. In these circumstances you will remain invested in the funds that made up the lifestyle strategy you held in your plan. You should review these funds to ensure they are still right for you. Section 8.2 has more on this. If you do not take your benefits at your selected retirement age and have not informed us of a new selected retirement age, we will move it to age 75.

If you have not taken all your benefits, we will contact you a few months before your 75th birthday to ask for information to enable us to check your lifetime allowance. We must do this final lifetime allowance check before your 75th birthday.

#### 16.1.1 For accounts taken out on or after 1 January 2018

We will only make payments from the plan by electronic transfer. Any such payments we make will be made to you, or the appropriate beneficiary when you have died, in line with the scheme rules. However, the bank account to which the payment is made must be located in the same country as the recipient of that payment.

Where the recipient is a US resident we may at our discretion, make a payment to a UK bank account if we have confirmation of the global intermediary identification number (GIIN) for the bank in question.

Other than in the circumstance specified in the paragraph above payments will only be made to a nominated bank or building society account verified as belonging to the recipient by us.

We may prevent benefit payments where we know of, or suspect fraud, money laundering or the recipient is no longer resident in the same country as the nominated bank account.

## 16.2 Choosing how to take your benefits

In accordance with pensions legislation and if you are eligible under HMRC rules, you can choose any of the following, or a combination of them.

### 16.2.1 Buying a pension

You can purchase an annuity from an annuity provider of your choice. This means transferring funds from your plan to an annuity provider to receive a regular income. You do not have to transfer all of your plan to do this. If you transfer part of your plan, the remaining part of your plan will stay invested. If you choose to transfer the whole value, your plan will end – please see section 20. We do not provide annuities directly and cannot advise on your selection.

#### Annuity

An annuity gives you a secure income on the terms you agree with your annuity provider. For example, this could be paid only to you, or to you and then on your death a surviving partner or beneficiary. The income can be fixed, or it can increase each year. Once you have started your annuity, you cannot change your mind about it.

Subject to HMRC regulations, you can normally take up to 25% of the value of your plan you are using to take benefits as a tax free cash lump sum and use the remainder of it to buy an annuity. If you have a protected lump sum, you may be able to take more than 25% as a tax free cash lump sum. A tax free cash lump sum is not available if you buy an annuity using flexible income funds.

We will pay you the tax free cash lump sum that you choose to take. We will then pay the rest of the value of the plan direct to the annuity provider. The annuity provider must be an insurance company, or an EEA company with the relevant regulatory permissions.

### 16.2.2 Taking your plan value as lump sums

Subject to HMRC limits, you can take the whole of your plan value as a small lump sum. Of this, 25% will usually be tax free and the rest will be treated as income. We will deduct income tax at basic rate from the payment.

If you are not eligible to take a small lump sum, you can still take part, or all, of the value of your plan as one or more lump sums. Of each payment, 25% will usually be tax free and the rest will be treated as income and initially taxed at the emergency rate.

There are limits on the frequency, of twice each tax year, and limits on the amount of the lump sums, if you choose to take part, but not all, of your plan in this way. These limits are as follows:

- a minimum withdrawal of £1000, unless you are taking the whole fund; and
- leaving a fund value of at least £5000, if you are only taking part of your plan.

We do not currently take a charge for these lump sum payments. If we do so in the future, we will contact you at that time.

If you are a non UK resident, you may need to declare any lump sum payment to the local tax authority and pay tax on it.

We will give you full details of these options, including any charges and the amounts and frequency of the lump sums you can take, when you make a claim.

#### Drawdown

A benefit option where you leave your pension funds invested and take an income or lump sums directly from your Retirement Saver – income without buying an annuity.

### 16.2.3.1 Using the flexible income option

This option is available as long as the value of your plan is at least our minimum, currently £30,000. By completing our application, you can choose to move all or part of your Retirement Saver – savings to your Retirement Saver –income account as long as the value you move is either:

- our minimum amount, currently £10,000; or
- the remainder of your Retirement Saver – savings account after any outstanding charges and interest have been applied to the account.

The limit on the number of times you can move money to the flexible income option is currently twice each tax year. We may change this limit in the future or no longer apply it to your plan in line with section 21.

For plans starting before 1 January 2018 any income payments or tax free cash lump sum taken can only be paid to a UK bank account in your name. For plans starting on or after 1 January 2018 see section 16.1.1.

#### **16.2.3.2 Identifying flexible income funds**

The Retirement Saver terms and conditions apply equally to both your Retirement Saver – income and your Retirement Saver – savings accounts in your plan.

The same range of funds is available for both accounts. You can choose different funds for each account.

#### **16.2.3.3 Tax free cash lump sum**

Each time you move funds to your Retirement Saver – income account, you can choose to take part of the value, normally up to 25%, as a tax free cash lump sum, in line with HMRC rules applicable at that time – in particular, please see section 7.6.1 for how the lifetime allowance could affect you.

We will sell units from your chosen funds, in line with section 10.2, to cover the amount of tax free cash lump sum required. We may sell an additional 5% of these to ensure that, after market fluctuations, there is enough to pay the tax free cash lump sum you have asked for plus any accrued charges. Any amount left over will be reinvested in line with your flexible income fund choices.

If you are moving funds into flexible income, for the first time, and you are age 75 or over, please refer to section 16.2.3.9.

If you pay any of the tax free cash lump sum back into a registered pension scheme (HMRC refer to this as ‘recycling’), you may have to pay a tax charge on the whole tax free cash lump sum paid. We may also incur an associated tax charge, which we would claim from your Retirement Saver account, or you personally.

#### **16.2.3.4 Income payments**

You can choose to take income as:

- a regular income; or
- as a one off payment.

Taking income from your flexible income account will trigger the MPAA. Please see ‘A Guide to Pension Tax’ and section 7.6.2 above for more on the MPAA.

All income payments are subject to income tax at the rate applicable to you in accordance with HMRC pay as you earn (PAYE) requirements.

This will be deducted by us before we make payments to you.

You will need to choose the fund(s) in your Retirement Saver – income account you want to take flexible income from. Regular income payments cannot be taken from Exchange-traded investments described in section 8.4.2.

We will sell units from your chosen flexible income fund(s), in line with section 10.2, to cover the income payment required before income tax is deducted. We will sell an additional 10% of the amount of units from the funds you have selected to have your income payment taken from, in the proportions that you have selected, to ensure that after market fluctuations, there is enough to pay the income payment you have asked for. Any amount left over will be reinvested into the fund(s) it was taken from. We may sell units in your chosen income fund(s) up to 10 business days before the income payment is made to your bank account. This means the amount will not be invested in the fund(s) for that period.

We will tell you if the value of the fund(s) from which you have told us to pay income is low and ask for your instructions. You may give us your instructions by telephone or in writing – see section 32. If we do not receive your instructions we will continue to make income payments to you by selling units in other fund(s) within your Retirement Saver – income account. We will sell the units in line with the disinvestment strategy in section 15.

#### **One-off income payments**

You can take a one-off income payment anytime by completing an application. You can take this as:

- a minimum amount of £1,000 before income tax is deducted, up to twice a tax year, or
- the remainder of your Retirement Saver – income account after any outstanding charges and interest, which apply to this account, have been taken.

We can change these limits and, if we do, we will do so in line with section 21.

You can request an application form in writing or by telephone in line with section 32. You must tell us at least 10 business days before you want to receive the payment.

#### **Regular income payments**

By completing our application, you can instruct us, at any time, to start regular income payments but you must tell us at least 10 business days before you want to receive the payment.

Regular income payments can be made monthly, quarterly, half-yearly or yearly on any date between the 1st and 28th of the month.

We may apply minimum payment amounts for regular income. The current minimum payment amounts for regular income, before income tax is deducted are:

- £1200 each year
- £600 half yearly
- £300 quarterly
- £100 monthly

We can change these limits and, if we do, we will do so in line with section 21.

#### **16.2.3.5 Changing or stopping regular income payments**

You may change or stop your regular income instructions at any time by telling us in writing or by telephone, in line with section 32. You must tell us at least 10 business days before you want the change to take place. If you make a request within 10 business days of a scheduled income payment, your change will not take place until the scheduled income payment is complete.

#### **16.2.3.6 Payment delays**

If the date the payment is due to be made to you is not a business day, the payment will be made on the previous business day.

If there is an existing sell transaction (see section 10.2) in progress on the fund(s) you are taking income from, that sell transaction will need to complete before we can start to process your income payment.

#### **16.2.3.7 Flexible income charges**

Charges are calculated and taken from each account separately in line with section 14. The use of the flexible income option is currently not considered to be a core service required by a qualifying or auto-enrolment pension scheme. As such the Retirement Saver – income account in your plan is not subject to the auto enrolment charge limits.

#### **Platform charge adjustment**

We may, in certain circumstances, add a cash value to your Retirement Saver – income account. We will do this if the following circumstances apply to you:

- you have held the Retirement Saver – income account for at least one year, and;

- the value of your investments in your Retirement Saver – income account are above the minimum qualifying fund value limit applicable at the time, currently £250,000

Where the above are met, we will credit your Retirement Saver – income account with cash. The value credited is based on:

- the opening value of the Retirement Saver – income account on 1st July (ie: after all transactions and charges are complete) less the minimum qualifying fund value limit;
- the rate of the platform charge adjustment in force for your scheme at the time.

We will add cash to your Retirement Saver – income account within one calendar month of 1st July.

We may change how the platform charge adjustment is made to the Retirement Saver – income account in your plan, in line with section 21.

#### **16.2.3.8 Your right to cancel**

When we issue your Retirement Saver – income account documents, we will send you a cancellation notice together with information on how to cancel this account.

If you change your mind about having a flexible income account, you can cancel it within 30 days of receiving your cancellation notice by completing and returning the cancellation notice to us. The right to cancel only applies to the first time you move funds into flexible income.

If you cancel, any tax free cash lump sum and/or income payments you have received from this plan must be returned to us. If the payments are not returned, they may be treated as unauthorised payments by HMRC and become subject to tax charges. Please see section 23.6 for more information on unauthorised payments.

If you decide to cancel, we will return your funds in your Retirement Saver – income account to your Retirement Saver – savings account.

If we have facilitated a one off adviser payment from your plan and you decide to cancel after the payment has been made, we will not refund the amount of the adviser payment. Any refund will need to be discussed and agreed with your adviser.

If you have opened your Retirement Saver with a transfer payment to take flexible income, you will be cancelling both your Retirement Saver – income

account and your Retirement Saver – savings account. If your transfer came from a Zurich plan, we will return the transfer back to the transferring scheme. If your transfer came from another provider, we will try and return the transfer back to them. To explain how we will do this, please see section 5 “Your right to cancel a transfer payment” which also sets out your rights and the action we will take if you decide to proceed.

#### 16.2.3.9 Taking flexible income beyond age 75

At your 75th birthday, we must make relevant checks against your lifetime allowance and deduct any lifetime allowance tax charge which may be due. Any tax free cash lump sum you take from retirement savings in this plan on or after age 75 may be restricted and less than 25% of the current value of the fund you choose to move.

You may choose to start or continue to receive flexible income payments as outlined in this section 16.

#### 16.2.3.10 Purchasing an annuity with your flexible income funds

You can stop flexible income at any time and use the remaining funds to purchase an annuity.

#### 16.2.3.11 When you die

The following section only applies to the Retirement Saver – income account. For the death benefits which apply to other accounts, please see section 17.

We will normally use the value of your Retirement Saver – income account to provide benefits for any one or more of your beneficiaries, as detailed under section 17.

If benefits are provided for more than one person, we will decide in line with the scheme rules what proportion of the value of the flexible income to use for each person, unless your plan is written in trust. The relevant person(s) may, subject to HMRC rules, then choose to have their proportion used to:

- Pay them a cash lump sum. If you have not reached age 75, this will usually be paid tax free. If you have reached 75 at the time of your death, a tax charge will apply.
- Buy an annuity with another provider (as set out in section 17.2), or

- Take a dependant’s, nominee’s or successor’s flexible income (drawdown). If this option is chosen by a beneficiary the flexible income (drawdown) would have to be immediately transferred to another provider of the beneficiary’s choice.

Any payments made from your income account after the date of death may need to be returned to us. In certain circumstances they may be treated as unauthorised payments, and your estate will be liable for any resulting tax charges, unless otherwise permitted in line with HMRC requirements. Please refer to section 23.6 for more information on unauthorised payments.

#### 16.2.4 Serious ill health

As long as you have not taken any retirement benefits from this plan and we have received and accepted evidence from a registered medical practitioner showing you are in serious ill health, subject to HMRC regulations at that time, you may take the whole of your plan value in cash.

##### Serious ill health

An individual has a life expectancy of less than one year as certified by a registered medical practitioner.

### 16.3 Claiming your retirement benefits

To claim your retirement benefits, you should contact us using the details in section 32. We will tell you what information we need to make sure that the claim is valid and pay the benefits as quickly as possible to the right person. You must pay the cost of providing any evidence needed to validate your claim.

## 17. What happens if you die before taking benefits

If you die before taking retirement benefits we will pay the value of your plan to your nominated beneficiaries as a lump sum or pay the value to an annuity provider to provide a pension annuity for your nominated beneficiaries. In some instances, this may be taxed. For more information, please read **A guide to pension tax**.

We will write to the relevant beneficiaries or the person dealing with their financial affairs, giving details of the options that apply to their circumstances.

If you wish to make a nomination, you may do so by completing a nomination of beneficiary form. A copy of the form is on the website or you can ask us to send you a copy. However, you should note that in most circumstances, although we will consider your nomination, we are not obliged to follow it.

Beneficiaries can include:

- your husband, wife, registered civil partner, children and grandchildren
- your financial dependants
- any person entitled to any interest in your estate
- the person or people you have nominated; and
- the personal representatives (or executors) of your estate.

### **17.1 Lump sum death benefits**

If your beneficiaries choose death benefits to be paid as a lump sum, we will arrange to sell investments to provide this. We will decide in line with the scheme rules who the benefits will be paid to and how much each person will receive, unless your plan is written in trust. We will then distribute the lump sum death benefits.

If you die before your 75th birthday, we will usually pay the lump sum free of tax. However if you die after your 75th birthday, the lump sum will be subject to tax.

The lump sum death payment will be subject to tax if we do not pay it within two years of notification of death.

If the payment of lump sum death benefits causes the lifetime allowance to be exceeded, the excess will be subject to the lifetime allowance charge. The person who receives payment from the plan must account to HMRC for any lifetime allowance charge. Your legal personal representatives must find out whether any lifetime allowance charge is due.

### **17.2 Pension annuity**

If your beneficiary chooses a pension annuity, we will pay the plan value to an annuity provider as detailed in section 16.2.1.

If you die before your 75th birthday, as long as any death benefit paid as a pension annuity starts to be paid within two years of notification of your death, the pension received will not be taxable as income.

The amount of death benefit to be paid as a pension annuity is tested against your lifetime allowance. If the payment of the death benefit causes the lifetime allowance to be exceeded, the excess will be subject to the lifetime allowance charge. The person who receives the pension annuity from the plan must account to HMRC for any lifetime allowance charge. Your legal personal representatives must find out whether any lifetime allowance charge is due.

### **17.3 Paying out the death benefits**

When we have received notification of death (including verbally), we will arrange to sell all investments under your plan. We will let your legal representatives know what we need to settle the death claim and we will pay benefits when we have everything we need.

When we have paid out the benefits to your nominated beneficiaries, your plan will end.

If you die before age 75, the amount of the lump sum combined with other benefits from registered pension schemes must be tested against the lifetime allowance. Where the lifetime allowance is exceeded, then the excess will be subject to a lifetime allowance charge. Your legal personal representatives must find out whether any lifetime allowance charge is due. The beneficiary who receives the lump sum payment or pension is responsible for paying to HMRC any lifetime allowance charge.

### **17.4 Identifying the lawful claimant following death**

It is possible that we may become aware of your death other than by a notification from your legal representatives. For example, we could be told by the Department for Work and Pensions or such other third party. It is also possible that, even though we have not been told you are dead, we have reason to believe that you might have died. If so, we can take reasonable steps to verify the position and, if appropriate, to identify who is entitled to benefits from your plan.

Where we reasonably incur external costs in doing this, for example, obtaining a death certificate and/or identifying and tracing beneficiaries, we reserve the right to recover those costs by deducting them from any payment we make from your plan. Any costs we recover will not be more than £200. If our enquiries lead us to conclude that you are not dead, we will not recover any costs.

## 18. Leaving your employer

If this plan is part of your employer's workplace pension scheme and you leave that employer, you can keep your plan with us and these terms and conditions will still apply. The website and any literature you receive may look different. The charges may change.

You will not be able to continue making payments from your salary. However, you will be able to continue to:

- access your plan through the website using your existing login ID and password
- make one-off, transfer and regular payments to your plan, as long as you are eligible. Any existing personal direct debit payments will continue as normal. We will get basic rate tax relief from HMRC on your behalf on any one-off or regular payments you make into your plan and invest this into your plan at the same time as we receive your payment.
- give investment instructions.

## 19. Transferring to another pension scheme

You can transfer some or all of the value of your plan, as a cash transfer or by the re-registration of assets, to another HMRC registered pension scheme or Recognised Overseas Pension Scheme (ROPS) prepared to accept the transfer at any time.

### Re-registration of assets

This is a transfer of assets such as shares or property in their actual form, without the need to cash in these assets before making a transfer to another pension scheme.

Any funds that are in flexible income must be fully transferred and must continue to provide flexible income (drawdown) benefits with the new provider.

We do not charge you to transfer your plan to another pension scheme.

We will send you a statement twice each year that tells you the transfer value of your plan. This amount is not guaranteed and depends on the value of the investments you have chosen in your plan, which could increase or decrease. If you

decide to transfer out, we will make the transfer payment directly to the new pension provider.

If you transfer to a HMRC registered ROPS, we will test the value of the benefits being transferred against your lifetime allowance. Such a transfer may incur a lifetime allowance charge of 25%.

If you want to transfer, you should consider getting regulated financial advice.

## 20. Ending your plan

Your plan and these terms and conditions will end:

- by you transferring all of your plan value out to another pension scheme in accordance with section 19;
- on the winding-up of the Scheme (including the partial wind-up of the section of the Scheme in which your plan is held) in line with the scheme rules;
- when your Retirement Saver – income and Retirement Saver – savings accounts no longer have any cash or investments;
- by you buying a pension annuity and leaving no funds in either your Retirement Saver – savings or Retirement Saver – income accounts;
- when we have paid out death benefits to your nominated beneficiaries;

we may close your plan where there is a material breach of the terms and conditions and it is reasonable for us to do so.

Ending your plan will not affect:

- the completion of transactions already begun;
- the completion of obligations clearly intended to survive termination;
- transactions necessary to end your plan, including the settlement of any outstanding charges, and
- our production of any statements or documents that have to be provided in such circumstances (whether to you or to any third party).

## 21. Changes we can make to the terms and conditions

This document sets out the terms and conditions of your plan. Your plan is provided by Zurich so only we can change or add to the terms and conditions of your plan.

We may alter the terms and conditions of your plan (including any provisions that apply to your payments and investments) to the extent that the change is proportionate and reasonable for any of the following reasons:

- To take account of changes to, or to comply with the law, taxation, official guidance, codes of practice, the way in which we are regulated or the amount of capital we need to hold.
- To provide for the introduction of new or improved systems, methods of operation, service or facilities.
- To take account of a recommendation, requirement or decision of any court, government body, ombudsman, regulator, industry body or similar body anywhere in the world where the recommendation, requirement or decision impacts on us with regard to your plan.
- To make these terms and conditions clearer or more favourable to you.
- To put right any mistake we may discover in future.
- To reflect changes in technology and industry practice.
- To reflect any change to our corporate structure arising from any reorganisation of our business that does not unfavourably affect your plan but requires us to make certain changes to these terms and conditions.
- To reflect any change as a result of a reorganisation including a sale of all or part of our business to another person (including any sale, merger or acquisition of a group company or all or part of a business within the group).
- If, in our reasonable opinion, we are at material risk of becoming insolvent and this may be avoided by changing the terms and conditions of your plan and the changes are in the interests of our plan holders as a whole.
- To take account of changes to levies or charges imposed by law or under the Financial Services Compensation Scheme or by the FCA (unless we are told we must not pass these onto our customers).

If we reasonably can, we will let you know beforehand about any changes to these terms and conditions. Otherwise, we will let you know as soon as we reasonably can and if the change is unfavorable to you we will give you not less than 30 days advance notice. We will confirm these changes in writing or by other appropriate means, for example on the website or by email.

From time to time we may amend the scheme rules with the consent of the trustee. Changes to the scheme rules may require changes to these terms and conditions. This can include changes to the provider, operator or scheme administrator of the Scheme. Where one of these parties changes we can amend these terms and conditions, by giving you at least four weeks written notice, to:

- substitute another party in our place as the scheme administrator of your plan;
- transfer any client money we hold to the scheme administrator of your plan; and
- substitute any nominee company currently in place with an alternative nominee company to hold Zurich Retirement Saver investments.

## 22. Corporate Actions

Your investments may be affected by elective or mandatory corporate actions.

### Elective corporate action

These apply to wider market investments when an action taken by an institution affects investors, for example a rights issue. Investors are asked to make a choice from a variety of options, including a default option that will apply if no election is made.

### Mandatory corporate action

These may apply to wider market investments or Zurich pension funds when an action by an institution or fund manager affects investors, for example fund mergers or closures, company mergers, takeovers or reorganisations. Investors will have no option but to participate in the corporate action.

### 22.1 Zurich pension funds

We will let you know if you are invested in a fund and there is a material change to that fund. A change is material in this context where:

- it alters the aim or objective of the fund as set out on the fund fact sheet, or
- there is a change to the risks or potential returns of the fund which in our reasonable view will have an adverse impact on the future value of your plan, or
- it would, in our reasonable opinion, be in your best interests for us to inform you.

If there is a material change, we will let you know what the changes are before they take place where reasonably possible, or as soon as we can.

The fund factsheets give you the most up-to-date information about the funds and these are available on the website or by contacting us using the details in section 32.

Zurich Assurance Ltd may create new or merge Zurich pension funds. It can also decide that certain Zurich pension funds are no longer available for new payments or current investments, or both.

### **Fund merger**

If your plan is invested in a Zurich pension fund and the fund manager decides to merge it with another, we will let you know before the change where this is reasonably possible. Unless you choose to switch your units and/or redirect payments to another investment, we will switch your units and/or redirect your regular payments on the relevant date to units in the merged Zurich pension fund.

If the merged fund is not available to you and, if we do not hear from you in the timescales we set out when we contact you, we will choose a Zurich pension fund for you. The Zurich pension fund we choose will normally be one that matches as closely as possible the cost and investment type of the fund that is no longer available.

### **Fund closure**

If you are invested in a Zurich pension fund that is no longer available to you, we will contact you.

We will ask you for your instructions where:

- you hold investments in the relevant Zurich pension fund and the fund closure means you need to choose a new investment, and/or
- the fund closure means you need to choose a new investment for your continuing regular payments.

We will choose a Zurich pension fund for you if:

- we do not hear from you in the timescales we set out when we contact you, or
- it is not practicable for us to contact you in advance, for example when the market is unstable.

The Zurich pension fund(s) we choose will normally be one that matches as closely as possible the cost and investment type of the fund that is no longer available.

Zurich Assurance Ltd may re-categorise a Zurich pension fund for its own internal purposes but we will not tell you unless there is an impact on the risk, return or name of the fund.

## **22.2 Lifestyle strategies**

### **22.2.1 Changes to the lifestyle strategies**

We may create new lifestyle investment strategy. We can also decide that certain lifestyle strategies are no longer available for new payments or at all.

We will let you know before the change by giving you reasonable notice (usually 30 days) where this is reasonably possible.

Unless you choose to switch your units or redirect payments, as appropriate, to another investment option, we will switch your units or redirect your regular payments on the relevant date to units in the revised lifestyle strategy.

In deciding whether to change a lifestyle strategy or to close a lifestyle strategy, we will take into account:

- the continued provision of fund management services by any relevant fund manager
- the cost of administering uneconomically small funds and its possible effect on investment returns, and
- whether in our reasonable opinion it is in our investors' interests.

If you are invested in a lifestyle strategy that we decide is no longer available to you we will ask for your instructions.

We will only contact you if:

- you hold investments in the relevant lifestyle strategy and our decision means you need to choose a new strategy, or
- our decision means you need to choose a new lifestyle strategy for your continuing regular payments.

We will choose a lifestyle strategy for you if:

- we do not hear from you within a reasonable time, or
- it is not practicable for us to contact you in advance, for example when the market is unstable.

If we have had to change the lifestyle strategy you have invested in, you will be able to switch to another investment option, subject to the terms and conditions that apply at that time. For more information on switching, please see the section 12.2 which explains how we will switch the Zurich pension funds that make up your lifestyle strategy. We will not make a charge for these switches.

### 22.2.2 Changes to funds within a lifestyle strategy

We can decide that a fund within a lifestyle strategy should no longer be available as part of that lifestyle strategy in which case the fund in question will be removed from the lifestyle strategy altogether. We can also decide to add a fund to an existing lifestyle strategy or replace an existing fund in a lifestyle strategy.

If your lifestyle strategy is invested in a Zurich pension fund that is no longer available to it, we will contact you.

We will ask you for your instructions where your lifestyle strategy holds investments in the relevant Zurich pension fund and the fund closure means you may wish to choose a new investment option.

We will choose a Zurich pension fund for your lifestyle if:

- we do not hear from you in the timescales we set out when we contact you, or
- it is not practicable for us to contact you in advance, for example when the market is unstable.

The Zurich pension fund(s) we choose will normally be one that matches as closely as possible the cost and investment type of the fund that is no longer available.

### 22.2.3 Material changes to lifestyle strategies

We will let you know if you are investing in a lifestyle strategy and there is a material change to that strategy. A material change is one where:

- it significantly alters the description of the lifestyle strategy in any guide we have provided to you;
- there is a change to the risks or potential returns of the lifestyle strategy which in our reasonable view will have an adverse impact on the future value of your plan; or
- it would, in our reasonable opinion, be in your best interests for us to inform you.

If there is a material change, we will let you know what the change is before it takes place where reasonably possible. Otherwise, we will let you know as soon as we reasonably can.

A lifestyle strategy may be re-categorised for our or Zurich Assurance Ltd's internal purposes but we will not tell you unless there is an impact on the risk, return or name of the lifestyle strategy.

### 22.2.4 Switching lifestyle strategies

If more than one lifestyle strategy is available, you can switch between these options. If you do, the units in your current lifestyle strategy will be switched for units in the applicable funds in the new lifestyle strategy you have chosen. The movement between the two lifestyle strategies and the switches will be carried out in accordance with the section 12.2.

### 22.3 Investment funds

Where you are invested in a fund that is subject to a mandatory corporate action, we will assess the extent to which that corporate action will affect the fund, for example if it materially changes the risk profile or structure of the fund.

If a corporate action materially affects a fund you are invested in, we will tell you in advance or otherwise as soon as reasonably possible. It is your responsibility to assess whether the fund remains suitable for your circumstances.

In the event that you have holdings in a fund at the time it is closed, they will be sold and the proceeds reinvested in an alternative fund chosen by you. If we do not hear from you, with your choice of alternative fund, in the timescales we set out when we contact you, or it is not practicable for us to contact you in, we will choose an alternative fund for you which matches as closely as possible the cost and investment type of the fund that is no longer available. The same will apply if it is not practicable for us to contact you in advance of the fund closure.

### 22.4 Exchange-traded investments

When an exchange-traded investment in which you are invested is subject to a mandatory or elective corporate action we will tell you as soon as we reasonably can – usually within six business days of us being informed.

#### Mandatory corporate action

For a mandatory corporate action we will tell you what it is and what has happened.

#### Elective corporate action

For an elective corporate action, we will tell you about the options available to you including the default option.

We will apply the default option if:

- we do not receive your election by the date we specify, or
- if a decision is required within six business days of us being informed of the corporate action

If you decide to participate in an elective corporate action (or the default option is applied) that requires funding you must have enough cash in your plan by the date that we specify. If you do not have enough cash in your plan on that date, the order will still be placed and we will apply the disinvestment strategy as described in section 15.

In the event that a corporate action relates to a maturing asset, the proceeds will be held as cash in your plan.

It is your responsibility to decide what option to elect and/or assess whether the asset remains suitable for your circumstances.

## 23. General terms and conditions

If any provision in these terms and conditions is found to be invalid by any court, the invalidity of that provision will not affect the validity of the remaining provisions of these terms and conditions, which shall remain in full force and effect.

The failure or delay either by us or you to exercise or enforce rights, or enforce any obligation, under these terms and conditions is not a waiver of those rights nor will it prevent subsequent enforcement of those obligations.

Headings in these terms and conditions are for convenience only and have no legal effect.

Where we refer to your key features document-information specific to your plan, Important information about Zurich pension funds, the fund factsheets, key investor information documents, prospectus or simplified prospectus within these terms and conditions, we refer to them for your information only. They do not form part of these terms and conditions.

Only you, your personal legal representative or we can enforce the terms of this agreement. We exclude the rights of others under the Contract (Rights of Third Parties) Act 1999 to enforce any provision of this agreement.

### 23.1 Events beyond our control

We may be unable to perform our obligations under these terms and conditions where events occur that are beyond our reasonable control. These events include, but are not limited to:

- riot, civil unrest, military action or terrorism
- fire, explosion, earthquake, storm, flood, epidemic or other natural disaster
- strikes, lockouts or other industrial action

- unforeseeable restrictions imposed by legislation, regulation or other government initiative that are not the result of our misconduct
- any change in market conditions affecting the execution or settlement of transactions in respect of your plan
- any cyber-attack on our IT systems
- any failure in transport networks or other utilities such as power, telecommunications networks or water leading to unavoidable disruption
- a change in your residency where you move abroad to a jurisdiction in which the local laws and regulations prevent us from servicing your plan in accordance with your instructions
- any other event or circumstance that we are unable, using reasonable skill and care, to avoid.

Where an event beyond our reasonable control occurs, and if you are being, have been, or are likely to be disadvantaged we will let you know as soon as we can, whenever possible.

If the event continues for a period in excess of three months we may take appropriate action, acting reasonably, proportionately and fairly, which may include closing your plan.

### 23.2 Moving abroad

Your plan is designed for individuals who are resident in the UK. If you move to another country outside the UK, your plan may no longer be suitable for your individual needs. UK laws or the local laws and regulations of the jurisdiction to which you move may impact our ability to continue to operate your plan in line with these terms and conditions. As noted in section 2.1 you must tell us of any planned change in your residency while you have your plan prior to such change becoming effective, if you do not do so, this may be a material breach of these terms and conditions in accordance with section 20.

### 23.3 Transferring our duties

We may delegate any of our functions under these terms and conditions to a sub-contractor without your consent, and we can give them any information about you that they may reasonably require for this purpose. We will carry out any transfer of your personal information in line with our Data Protection Statement set out in Appendix 1.

Where we delegate any of our functions under these terms and conditions, we will satisfy ourselves of the competence of the other people to carry out those functions.

Your rights and benefits and our liability under these terms and conditions will not be affected where we choose to sub-contract any functions in this way.

#### **23.4 Liability**

We will exercise due care and diligence in administering your plan. We will not be liable to you for:

- any delay in carrying out a trading instruction as described in section 11, caused by the temporary unavailability of our nominated stockbroker's computer systems
- any loss on your investments that may arise, unless it was caused by our negligence or wilful default
- our acts or omissions or those of any investment fund manager, life insurance company or banking partner, except if they arise as a result of our negligence or wilful default.

This limitation of liability is subject to us complying with these terms and conditions and the FCA rules.

Nothing in these terms and conditions is intended to:

- exclude our liability for death, personal injury, fraud, fraudulent misrepresentation or any other matter that cannot be excluded or limited by law, or
- exclude or limit our duties and liabilities to you under the Financial Services and Markets Act 2000 (or any successor legislation) and rules of the FCA (or any successor regulator).

#### **23.5 Disclosure**

You authorise us to disclose to any tax authority including HMRC, any regulatory authority, the police or such other persons, as required by law or as required in order for us to carry out our duties under these terms and conditions, such information as they may require in relation to you and your plan. In addition, you authorise us to comply with any other tax obligations of the UK or elsewhere applying to Zurich and the Zurich Group including tax reporting and the deduction of any withholding tax.

#### **23.6 Unauthorised payments**

We will not knowingly make a payment from your plan that the Finance Act 2004 regards as unauthorised.

If you receive an unauthorised payment or other benefit from your plan in error you must return it.

If this results in a tax charge we will compensate you for this if it is incurred as a result of our own fraud, negligence or maladministration.

We may also incur liabilities including a scheme sanction charge that HMRC impose. If this happens, we will deduct the amount from your plan or claim it from you personally. However, we will make no such deduction or claim if the scheme sanction charge is incurred as a result of our own fraud, negligence or maladministration.

#### **23.7 Pension-sharing order**

You cannot give away any part of your plan during your lifetime, except under a pension-sharing order. A pension-sharing order is made after divorce or dissolution of a civil partnership. You should speak to a regulated financial adviser if you need more information on this.

We reserve the right to recover reasonable administrative expenses from your plan to the appropriate value for carrying out a pension-sharing order under Part IV of the Welfare Reform and Pensions Act 1999.

#### **23.8 Conflicts of interest**

We make every effort to identify conflicts of interest. A conflict of interest is where the interests of our business conflict with those of a customer, or if there is a conflict between customers of the business. Once identified, we aim to either prevent the conflict or put steps in place to manage it so that it is no longer potentially detrimental to our customers.

We have processes in place to ensure we conduct our business lawfully, with integrity, and in line with current legislation. We operate in line with our conflicts of interest policy, available on request or on our website, which details the types of conflicts of interest that affect our business and how we aim to prevent or manage these. Where we cannot prevent or manage a conflict which may be detrimental to you, we will fully disclose it to you in line with our policy.

#### **23.9 Trivial payments**

If less than £1 becomes payable to you, for example to correct trading errors or an interest or dividend payment is received after you have moved your plan to another provider, we reserve the right to retain the payment. We reserve the right to increase this limit in the future. If we do we will notify you in accordance with section 21.

## 24. Law

Our relationship with you and these terms and conditions are subject to English law and the exclusive jurisdiction of the English courts.

## 25. Compensation

We classify you as a 'retail client' under the FCA rules. This means you will receive protection for complaints and compensation and receive information in a straightforward way.

If we, or any of the providers of investments or investment services available through your plan, cannot meet any financial obligations, you may be able to claim compensation from the Financial Services Compensation Scheme (FSCS). The compensation you may receive will be based on the FSCS rules and whether you are eligible to make a claim. You could lose all or some of your money.

The FSCS is a fund of 'last resort', only stepping in if the provider of the investment is in default.

### Default

A provider is in default if it is unable, or likely to be unable to pay any claims made against it. This will generally be because the provider has stopped trading and does not have enough assets to meet claims made against it or because it is insolvent.

The FSCS does not cover you:

- if the provider has stopped trading but still has assets to meet its claims
- for poor investment performance.

To make a claim, the provider in default must be the provider that ultimately owns the assets you have invested in. It must also be:

- An FCA authorised firm. All providers based in the UK carrying out investment business must be authorised by the FCA. You can check if a company is an FCA authorised firm on the FCA website – [www.fca.org.uk](http://www.fca.org.uk)
- An EEA (European Economic Area) UCITS management company for a UCITS scheme
- An EEA firm that has made a payment to be part of the FSCS.

### UCITS

UCITS are investment funds which can be authorised in one EEA country but operated across the whole EEA.

If a provider is in default and you satisfy the criteria to be eligible to make a claim, the limits to your compensation would be as follows:

### Sterling ISA Managers Limited

A claim for the administration of your account may be covered up to a maximum of £50,000.

### Zurich Assurance Ltd

If Zurich Assurance Ltd is unable to meet its financial obligations in respect of Zurich pension funds, up to 100% of any claim may also be covered.

Zurich Assurance Ltd selects fund management companies or other life insurance companies to manage the Zurich pension funds. In the event of a fund manager or life insurance company insolvency, neither you nor Zurich Assurance Ltd could claim under the FSCS. Please read the 'What are Zurich Assurance Ltd's responsibilities' on page 3 of the appended document 'Important information about Zurich pension funds' for more on this.

### Banking partner

The FSCS may cover any claim for cash held in your plan with our banking partner, or banks within the same banking group, up to a maximum of £85,000.

This limit includes any cash held in your plan together with any other money you hold with the same bank. It may also include money you hold with other banks within the same banking group.

### Investment fund manager

If an investment fund manager cannot meet its financial obligations, any claim may be covered up to a maximum of £50,000.

### Nominated stockbroker

If our nominated stockbroker cannot meet its financial obligations, any claim may be covered up to a maximum of £50,000.

You can contact the FSCS for more information:

Website: [www.fscs.org.uk](http://www.fscs.org.uk)

Email: [enquiries@fscs.org.uk](mailto:enquiries@fscs.org.uk)

Telephone: 0800 678 1100

Write to: Financial Services Compensation Scheme  
10th Floor  
Beaufort House  
15 St Botolph Street  
London EC3A 7QU

## 26. How to complain

If you need to complain, please contact us as detailed in section 32.

Details of our complaints handling process are available on the website.

If you are not satisfied with our response, you can complain to the Financial Ombudsman Service:

Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

Telephone: 0800 023 4567 or 0300 123 9123

Address: The Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR

Help is also available from The Pensions Advisory Service.

Website: [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

Email: [enquiries@pensionsadvisoryservice.org.uk](mailto:enquiries@pensionsadvisoryservice.org.uk)

Telephone: 0300 123 1047

Address: The Pensions Advisory Service  
11 Belgrave Road  
London  
SW1V 1RB

You can also use the European Online Dispute Resolution website if you're not happy with your online experience at <http://ec.europa.eu/consumers/odr/>.

These services are free but you will have to pay for the cost of calls or postage when writing to them. Using them will not affect your legal rights.

## 27. Data protection

Zurich takes your privacy very seriously and is committed to ensuring the way we collect, hold, use and share information about you complies fully with data protection legislation. Please read the data protection statement set out in Appendix 1. You have been asked to confirm that you have read this as part of the application process.

You agree that we may record telephone conversations between you and us, and use such recordings, or transcripts from such recordings, as well as any emails or messages you send us, for training purposes, for the purposes of investigating any complaint you may make, or as evidence in any dispute or anticipated dispute between you and us.

## 28. Our regulator

Sterling ISA Managers Limited, trading as Zurich, is authorised and regulated by the Financial Conduct Authority. We are entered on the Financial Services Register under number 191278. You can find this on the website [www.fca.org.uk](http://www.fca.org.uk).

You can contact the FCA:

Telephone: 0800 111 6768 (freephone).

Write to: Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London  
E14 5HS

## 29. Anti-money laundering and fraud

To comply with the Money Laundering Regulations 2007, we will perform an electronic check to verify your identity when you apply for your plan. These checks will also help protect your plan from fraudulent attack. Please be aware that we may ask to see extra identification as electronic checks may not always successfully validate your identity.

We can refuse to allow any payments to or from your plan if:

- we believe or suspect it may place us in breach of any legislation or law, or
- we believe or suspect it relates to fraud or any other criminal act.

To prevent financial crime, your details may be passed to governmental, regulatory or other bodies as required by law.

You will be responsible for any unauthorised transaction where you, or anyone you authorise, has acted fraudulently in relation to your plan.

### 30. Sanctions

We will not provide you with any services or benefits if in doing so we violate any applicable financial sanctions, laws or regulations (including UK, EU and USA (Office of Foreign Asset Control)). This could result in our having to terminate your plan with us.

### 31. HMRC practice

These terms and conditions are based on our understanding of current HMRC practice.

Taxation law and HMRC practice may change from time to time and such changes cannot be foreseen.

If there is any change in law and taxation that makes it impracticable or impossible to carry out these terms and conditions, we reserve the right to vary them in line with section 21.

The plan is designed for individuals who are resident in the United Kingdom. We do not provide any tax advice. If you decide to live outside of the United Kingdom after you have taken out your plan, we recommend you take independent advice in relation to your plan and the tax consequences of changing your country of residency. We are not responsible for any adverse tax consequences that may arise in respect of your plan and/or any benefits paid under your plan as a result of you changing your country of residency.

This version of the terms and conditions applies from December 2017.

### 32. How to contact us

Please contact us by email, by telephone or in writing:



**Email:**  
help@zurichmoney4life.co.uk



**Phone:**  
0800 917 9907  
8am – 5.30pm on business days.  
We may record or monitor calls to improve our service.



**Write to:**  
Zurich Corporate Savings  
PO Box 1161  
The Grange  
Cheltenham  
GL50 9RX

We want everyone to find it easy to deal with us. Please let us know if you need information about our plans and services in a different format. All our literature is available in large print or braille, or on audiotape or CD.

If you are a textphone user, we can answer any questions you have through a Typetalk Operator. Call us on 18001 0800 917 9907. Or, if you prefer, we can introduce you to a sign language interpreter.

# Appendix 1 – Data Protection Statement

## Who controls my personal information?

This notice tells you how Sterling ISA Managers Ltd trading as Zurich, as data controller, will deal with your personal information. Where Zurich introduces you to a company outside the group, that company will tell you how your personal information will be used.

You can ask for further information about our use of your personal information or complain about its use in the first instance, by contacting our Data Protection Officer at: Zurich Insurance Group, Tri-centre 1, Newbridge Square, Swindon, SN1 1HN or by emailing the Data Protection Officer at GBZ.General.Data.Protection@uk.zurich.com.

If you have any concerns regarding our processing of your personal information, or are not satisfied with our handling of any request by you in relation to your rights, you also have the right to make a complaint to the Information Commissioner's Office. Their address is: First Contact Team, Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, SK9 5AF.

## What personal information will you collect about me?

We will collect and process the personal information that you give us by phone, e-mail, filling in forms on our website, or otherwise and when you report a problem with our website. We also collect personal information from your appointed agent such as your trustee, broker, intermediary or financial adviser and from other sources, for verification purposes, such as credit reference agencies, other insurance companies, information you have volunteered to be in the public domain and other industry-wide sources.

The type of personal information we may collect includes; basic personal information (i.e. name, address and date of birth), occupation and financial details, health and family information, claims and convictions information and where you have requested other individuals be included in the arrangement, personal information about those individuals.

In providing Zurich with personal information on other individuals on your policy, you agree that you have their permission to do so.

## Who do you share my personal information with?

Where necessary or required we may need to share your personal information for the purposes of providing you with the goods and services with the types of organisation described below:

- associated companies including reinsurers, suppliers and service providers
- introducers and professional advisers;
- regulatory and legal bodies;
- central government or local councils;
- law enforcement bodies, including investigators;
- survey and research organisations;
- credit reference agencies;
- healthcare professionals, social and welfare organisations;
- other insurance companies.

## How do you use my personal information?

We and our selected third parties will only collect and use your personal information (i) where the processing is necessary in connection with providing you with a quotation and/or contract of insurance and/or provision of financial services that you have requested; or (ii) for our "legitimate interests". It is in our legitimate interests to collect your personal information as it provides us with the information that we need to provide our services to you more effectively including providing you with information about our products and services. We will always ensure that we keep the amount of information collected and the extent of any processing to the absolute minimum to meet this legitimate interest. Examples of the purposes for which we will collect and use your personal information are:

1. to provide you with a quotation and/or contract of insurance;
2. to identify you when you contact us;
3. to deal with administration and assess claims;
4. to make and receive payments;

5. to obtain feedback on the service we provide to you;
6. to administer our site and for internal operations including troubleshooting, data analysis, testing, research, statistical and survey purposes;
7. for fraud prevention and detection purposes.

We will contact you to obtain consent prior to processing your personal information for any other purpose, including for the purposes of targeted marketing unless we already have consent to do so.

### **How do you use my personal information for websites and email communications?**

When you visit one of our websites we may collect information from you such as, your email address, IP address and other online identifiers. This helps us to track unique visits and monitor patterns of customer website traffic, such as who visits and why they visit.

We may use cookies and/or pixel tags on some pages of our website. A cookie is a small text file sent to your computer. A pixel tag is an invisible tag placed on certain pages of our website but not on your computer. Pixel tags usually work together with cookies to assist us to provide you with a more tailored service. This allows us to monitor and improve our email communications and website. Useful information about cookies, including how to remove them, can be found on our websites.

### **How do you transfer my personal information to other countries?**

Where we transfer your personal information to countries that are outside of the European Union we will ensure that the transfer is carried out in a compliant manner and appropriate safeguards are in place. A copy of our security measures for information transfer can be obtained from our Data Protection Officer at: Zurich Insurance Group, Tri-centre 1, Newbridge Square, Swindon, SN1 1HN, or by emailing the Data Protection Officer at GBZ.General.Data.Protection@uk.zurich.com.

### **How long do you retain my personal information for?**

We will retain and process your personal information for as long as necessary to meet the purposes outlined in the notice provided to you at the time of collection of your personal information.

These periods of time are subject to legal and regulatory requirements (for example those set out by HMRC and the FCA), or to enable us to manage our business.

### **What are my Data Protection rights?**

You have a number of rights under the data protection laws, namely:

- to access your data (by way of a subject access request);
- to have your data rectified if it is inaccurate or incomplete;
- in certain circumstances, to have your data deleted or removed;
- in certain circumstances, to restrict the processing of your data;
- a right of data portability, namely to obtain and reuse your data for your own purposes across different services;
- to object to direct marketing;
- not to be subject to automated decision making (including profiling), where it produces a legal effect or a similarly significant effect on you;
- to claim compensation for damages caused by a breach of the data protection legislation.
- if we are processing your personal information with your consent, you have the right to withdraw your consent at any time.

We will, for the purposes of providing you with a contract of insurance, processing claims, reinsurance and targeted marketing, process your personal information by means of automated decision making and profiling where we have a legitimate interest or you have consented to this.

### **What happens if I fail to provide my personal information to you?**

If you do not provide the required personal information to provide you with the services you have requested we will not be able to provide you with a contract or assess future claims.

# Appendix 2 – Zurich’s order execution policy

## Glossary

Consideration – the price of the relevant exchange-traded investments or units in an investment fund together with any costs and expenses related to execution.

Cut-Off Point – period prior to valuation point after which instructions submitted to trade in the relevant investment fund will be traded at the following valuation point.

Execution Venue – the market or arena where the trade is carried out.

Market Disruption – a situation where markets function in an irregular manner; often severe and rapid decline. This could be caused by physical threats (e.g. terrorism) or unusual trading (e.g. market crashes).

Settlement – the point at which a trade is completed and money has passed from buyer to seller.

Units – redeemable shares in an investment fund. Note: units (Unit Trust) and shares (OEICs) in an investment fund are treated the same in this policy.

Valuation Point – A valuation point is a specified time in the future at which a fund manager sets the unit price. Note: as this is a specified time in the future it is not possible to know the exact price applicable to the transaction until it has been executed.

## Introduction

The EU Markets in Financial Instruments Directive (MiFID II) is enforced in the UK through the Financial Conduct Authority. If a financial product provider is involved in executing instructions to trade investment funds or exchange-traded investments, MiFID II requires the provider to implement an ‘order execution policy’. This regulation requires us to take all sufficient steps to get the best possible returns when executing instructions to trade or when receiving and transmitting instructions to trade.

## Scope

This order execution policy applies to how Zurich receives and transmits instructions to trade in investment funds and exchange-traded investments.

This order execution policy does not apply to how Zurich receives and transmits instructions to trade in Zurich pension funds. Section 10 of the Zurich Retirement Saver terms and conditions provides more information on how units in Zurich pension funds are bought and sold.

## Objective

We will ensure this order execution policy is kept up to date following any changes. An up-to-date copy is available through the website and we will notify you of any material changes. It is important that you read this document and understand how we process instructions to trade that we receive from you.

The order execution policy describes the steps we take when transmitting an instruction to trade with the relevant fund manager (for investment funds) or transmitting trades to our nominated stockbroker (for exchange-traded investments) who will execute the instruction.

We will carry out this service in accordance with our order execution policy. We are required by the FCA’s rules to obtain your prior consent to this policy. You will be deemed to provide such consent when you first submit an instruction to trade online after receipt of these Zurich Retirement Saver terms and conditions.

**WARNING:** if you provide us with specific instructions as to how your trading instructions should be executed, we will have complied with our obligation to take all sufficient steps to obtain the best possible result when transmitting your trading instructions in relation to that part of your order.

## Placing an instruction to trade

Trading instructions are submitted online through the website. By exception, for example should the website be unavailable, we may accept your verbal or written trading instructions directly.

When we receive the trading instructions for a 'buy' transaction, we will automatically match them with the corresponding payment or cash transfer or with cash held in the plan. If you are funding a 'buy' transaction with the proceeds of a 'sell' transaction, we will match the 'buy' trading instruction on confirmation from the fund manager that the instruction to 'sell' has been completed.

Once placed, the treatment of the trading instruction depends on whether the instruction to trade is for an investment fund or an exchange-traded investment.

The proceeds of successfully completed 'sell' instructions that are not being used to fund a 'buy' transaction will be held as cash in your plan on receipt of confirmation that the trade has been accepted.

## Reasons for any delay or suspension of trading instructions

Acting reasonably, we may delay or suspend the transmission of any trading instruction where an event, act or circumstance outside our reasonable control affects (or can reasonably be expected to affect) our ability or the ability of another party to act on the trading instruction in accordance with applicable law and regulation or in our customers' best interests; for example, market disruption.

## Execution Factors

There are a number of 'execution factors' which influence each instruction to trade in exchange-traded investments or investment funds:

- Your characteristics: We treat all customers as retail clients. This means that in the absence of express instructions from you, we will accord the highest importance to total consideration, which is the price of the relevant exchange-traded investments or units in investment funds together with any costs and expenses related to execution.

- The characteristics of the trade:
  - Nature of the trade: whether to buy or sell units
  - Cost: we control cost through financially prudent management of the processes we use in our policy
  - Price: our nominated stockbroker executes trades in exchange-traded investments at the best price available. Investment funds are priced by the relevant fund managers
  - Size: trades will be treated the same. Please note that there is a maximum limit of £24,999.99 per trade for exchange-traded investments
  - Speed: investment fund trades are placed in time to participate in the next valuation point providing the instruction is received pre cut-off and sufficient cash is available in the plan. Exchange-traded investment trades are transmitted as soon as sufficient cash is available in the plan.
  - The likelihood of execution and settlement: Our nominated stockbroker provides a very high likelihood of execution due to the liquidity they can provide. Settlement is provided by CREST.
- The characteristics of the financial instrument (investments) which are the subject of the trade.
- The characteristics of the plan.
- The characteristics of the execution venues: the market or markets upon which the trade can be executed. Instructions to trade for exchange-traded investments will be executed differently to those for investment funds.

While we will take all sufficient steps to ensure we have processes in place to enable us to obtain the best possible result when we execute your orders, we cannot guarantee that we will always be able to get the best possible result on every order we execute on your behalf.

## Responsibility for execution arrangements of third parties.

Where we transmit your trading instruction to our nominated stockbroker, we are responsible for ensuring that the execution arrangements of that third party enable us to comply with our obligations to act in your best interests and to take all sufficient steps to obtain the best possible result for you whenever we receive and transmit orders.

## Investment Funds

The website provides access to a range of investment funds which you can buy or sell online. We do not accept written or verbal instructions to trade, except in exceptional circumstances.

All instructions to 'buy' require sufficient cash to be in your plan before they can be executed. Instructions to 'sell' do not require cash to be available in the plan.

On receiving an instruction to buy or sell funds, an electronic message is sent from the website to the relevant fund manager. The fund manager sets the unit price and executes the instruction at the valuation point. As this is a specified time in the future, it is not possible to know the exact price applicable to the transaction until it has been confirmed. The proceeds from completed instructions to 'sell' are deposited as cash into the plan's cash account. The Order Allocation section provides more detail on how we transmit instructions.

To ensure that we place an instruction to trade in time for each valuation point, we operate a cut-off time for receipt of instructions which is approximately 1 hour before the fund valuation point. An instruction received after the cut-off time will be executed at the next available valuation point. It is important to note that not all investment funds will trade daily or at the same time.

Should a scheduled trade for units in an investment fund fail for any reason, we will contact you to explain why this has happened and that the instruction to trade will need to be resubmitted if you wish to proceed with it.

## Exchange-traded investments

Zurich's website provides access to exchange-traded investments.

You can use the website to trade exchange-traded investments. However, trades are executed by our nominated stockbroker.

Winterflood Securities Limited (a subsidiary of Close Brothers Group plc), providing services through its division known as, Winterflood Business Services, registered company number: 2242204

Registered Office: The Atrium Building, Cannon Bridge, 25 Dowgate Hill, London EC4R 2GA

We selected our nominated stockbroker because:

- it automatically searches the appropriate venue(s) on which to trade a relevant investment with a view to obtaining the best results
- its service integrates with our systems to enable online dealing.
- having completed a due diligence exercise, we are satisfied that our nominated stockbroker is a reputable partner which appropriately manages risk and helps us take all sufficient steps to provide the best possible results for our customers.

Exchange-traded investments traded on the website are carried out on an 'at best' basis – you place a trade instruction for a specific investment which is transmitted to our nominated stockbroker. Our nominated stockbroker will execute the instruction at the best price available at the time of trading, or if the market is closed at the best price available when it is next open for trading. Trade instructions will normally be executed in the same sequence they are received.

In some cases it may not be possible to execute exchange-traded investment transactions, in which case we will inform you that the trade has failed and the instruction to trade will need to be resubmitted should you want to proceed with it.

## Order Allocation

On any given day we may receive a number of individual instructions to trade relating to the same investment fund. Rather than inform the fund manager of each individual instruction in sequence as we receive them, we combine all instructions to trade for the same investment fund, on the same day, prior to our cut off point, and then transmit them to the fund manager. This is known as 'order aggregation'. Order aggregation is only relevant to trades in investment funds as instructions to trade in exchange-traded investments are transmitted to our nominated stockbroker on an individual basis when they are received.

There is no possibility of a partial completion of an aggregated order; this is not allowed by Zurich's systems and controls.

On certain occasions aggregation may disadvantage you. You could be disadvantaged if more money is flowing out of the investment fund than into it, and the fund manager reduces the unit price of the fund to protect the remaining investors. We will usually treat this as the market value, adjusted, if necessary to take account of any associated buying and selling costs.

The instruction to trade placed on your behalf will only be subject to aggregation when placed in the same investment fund and at the same valuation point as other customers.

### **Specific instructions**

If you have given instructions that price is not the most important factor, we will make every effort to comply with your instructions but cannot guarantee this. This may be due to the characteristics of the order or type of asset. In executing specific instructions, we may not be able to apply the standards set out in this order execution policy.

### **Record Keeping**

We create and maintain records of all individual instructions to trade that we receive. Records are created on the day on which the instruction is received. We also record details of the trades we transmit to fund managers and our nominated stockbroker each day.

On completion of an exchange-traded investment trade, a contract note is produced which details the time and date, relevant charges, price and quantity of investments traded. We will also produce a contract note on completion of trades in investment funds; however, it will not be produced for investment fund trades related to regular payments or regular withdrawals.

### **Execution Venues**

The relevant fund manager operates as the execution venue for investment funds. There are no viable alternatives to this venue.

The execution venue we have selected for exchange-traded investments is the London Stock Exchange (LSE), which includes the Alternative Investment Market (AIM). This venue was selected because the markets it operates provides access to a wide variety of exchange-traded investments denominated in Sterling. Trades in this regard are transmitted to our nominated stockbroker to execute. Our nominated stockbroker will select the appropriate venue on which to trade the relevant investment, according to type, size and nature of the trading instruction and with a view to obtaining the best possible result for you.

On a yearly basis, we will publish the top five execution venues on our website in line with MiFID II regulations. For information on the venues used by our nominated stockbroker please refer to their website.

### **Monitoring and Reviewing**

We continually monitor the effectiveness of our policy and execution venues as well as the performance of our nominated stockbroker and fund managers. Additionally, we complete an annual review of the policy, as well as reviewing it whenever a material change occurs which could affect our ability to continue to obtain the best possible result for our customers. From time to time we may amend and make material changes to our policy. When we make a material change to this policy, we will inform you and make available a revised version of the order execution policy.

We have a specific performance monitoring arrangement with our nominated stockbroker to ensure that we are always taking all sufficient steps to get you the best return possible. This includes contractual service level agreements, a monthly service pack denoting the best execution result and a stringent governance framework.

You should notify us immediately of any concerns you have in relation to the execution services provided to us by these third parties or if you have any questions about our order execution policy.

Zurich is a trading name of Sterling ISA Managers Limited.  
Sterling ISA Managers Limited is authorised and regulated by the Financial Conduct Authority.  
25 The North Colonnade, Canary Wharf, London E14 5HS.  
Registered in England and Wales under company number 02395416.  
Registered Office: The Grange, Bishops Cleeve, Cheltenham, GL52 8XX.

# Important information about Zurich pension funds

This section does not form part of the terms and conditions. It is intended to give you an overview of how Zurich pension funds are provided through your plan. These Zurich pension funds are provided through an agreement between Zurich Pension Trustees Limited and Zurich Assurance Ltd. A copy of this agreement is available from us on request.

Zurich Assurance Ltd, authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registered in England and Wales under company number 02456671. Registered Office: The Grange, Bishops Cleeve, Cheltenham, GL52 8XX.

## Accessing Zurich pension funds

Zurich pension funds are made available to you through a Trustee Investment Plan that sits within your plan. The Trustee Investment Plan is an insurance policy issued by Zurich Assurance Ltd to Zurich Pension Trustees Limited (the trustee), the trustee of the Zurich Personal Pension (No.15) Scheme under which your plan is issued. You do not however have to buy a separate product to invest in Zurich pension funds, you can access them through your plan.

## What Zurich pension funds are available

Sterling ISA Managers Limited acting in its capacity as the scheme administrator of the scheme, together with your employer and EBCs where appropriate, has made a range of Zurich pension funds available for you to invest in. Please see the website for more information on the funds available to you.

The fund factsheets describe the assets in which the Zurich pension funds invest and give details about individual Zurich pension funds, including the risks associated with investing in a particular Zurich pension fund. You can find fund factsheets for every available Zurich pension fund on the website.

Zurich pension funds are an investment option and form the underlying investments that make up the default and lifestyle investment options available to you through your plan. Although Zurich Assurance Ltd provides the underlying Zurich pension funds, Sterling ISA Managers Limited is responsible for the design and operation of the default investment options as described in the terms and conditions.

Zurich Assurance Ltd selects fund management companies or other life insurance companies to manage the assets of the Zurich pension funds and to make investment decisions in respect of the assets.

### Underlying assets

The mix of investments that Zurich pension funds invest in.

## Changes to Zurich pension funds

Zurich Assurance Ltd may make new funds available, merge existing funds or close funds, either to new investment or completely. The circumstances in which it can make changes to the funds is detailed in the agreement.

Where it makes such changes to the funds you are invested in, you will be informed in line with section 22.1 of the terms and conditions.

## Units

Each Zurich pension fund is divided into units of equal value. These units are used to calculate the value of investments in the Zurich pension funds.

Buying units in Zurich pension funds does not give you ownership of any of the underlying assets of those funds. Zurich Assurance Ltd owns those assets, unless the fund is provided by another insurance company. If so, the other insurance company owns those assets. This does not affect your ability to make a claim or switch funds.

## Unit prices

Zurich Assurance Ltd currently prices the units each business day and the prices are published on the website. Zurich Assurance Ltd uses the same price whether buying or cancelling units.

More information about how Zurich Assurance Ltd prices units is covered in the agreement but, in general, unit prices will depend on:

- changes in the market valuation of the fund's underlying assets
- how much income from the fund's underlying assets is reinvested, for example income from dividends
- charges applying to the Zurich pension fund
- how much money is moving in or out of a fund.

Zurich Assurance Ltd calculates the unit price by dividing the fund value by the total number of units. The value of your investments in each fund is then calculated by multiplying the number of units you hold in that fund by the relevant unit price.

The basis Zurich Assurance Ltd uses to calculate unit prices of funds depends on whether more money is generally moving into or out of the fund. If money is flowing out of the fund, Zurich Assurance Ltd may reduce the unit price to protect investors who remain in the fund. If there is a quoted price for an underlying asset held in the fund, Zurich Assurance Ltd will usually treat this as the underlying asset's market value, adjusted, if necessary, to take account of any buying and selling costs.

If the fund manager or life insurance company is late or fails to make their prices available, we reserve the right to price the units of the Zurich pension fund using the most recent market prices.

If the asset is land or a building, an independent valuer will assess the market value from time to time. That value is a matter of opinion rather than of fact. Zurich Assurance Ltd will also adjust the market price to reflect the income and outgoings of the property and changes in property price.

## Switching between Zurich pension funds

Zurich Assurance Ltd does not currently charge for switching between funds except under exceptional circumstances that are explained in the agreement. However, it may choose to charge for switches in the future. If it does, Sterling ISA Managers Limited may pass that cost onto you.

In addition, Zurich Assurance Ltd may choose to:

- refuse a request to make a switch
- delay the selling or switching of an investment in a fund for up to 12 months,
- make switches using different unit prices and at different times to other fund switches.

The circumstances in which it would take these actions are explained in the agreement.

## Selling units

You can sell units in a Zurich pension fund as detailed in section 10.2 of the terms and conditions.

## Delays in selling units

Zurich Assurance Ltd may delay the selling or switching of units in a Zurich pension fund where the provider of the underlying assets (namely, the fund manager or life insurance company) delays or defers the sale of the assets for a period of time. In our experience, this could be for a period of up to 12 months where the underlying assets are directly or indirectly linked to the value of land or buildings. Where the underlying assets are not directly or indirectly linked to the value of land or buildings there may be a delay for a period of one month. In some circumstances there may be a further delay where the fund manager or life insurance company decides that a further delay or deferral period is in the best interests of all unit holders.

In all other Zurich pension funds there may be a delay of up to one month in the completion of a transaction.

## Charges

Zurich Assurance Ltd will make a charge for investing in Zurich pension funds. This is included within the charges detailed in section 14 of the terms and conditions.

The charge is reflected in the unit price and covers the ongoing administration costs any third party costs and any charges applied to the underlying assets by fund managers or life insurance companies.

The charge includes:

- an annual management charge applied by Zurich Assurance Ltd to each fund
- dealing charges applied by fund managers, and
- a charge to meet fund expenses.

More information about the circumstances in which these charges may apply is detailed in the agreement.

## What are Zurich Assurance Ltd's responsibilities?

In relation to the Zurich pension funds, Zurich Assurance Ltd is responsible to the trustee for ensuring the funds meet operational, regulatory and governance requirements.

Zurich Assurance Ltd is not responsible to the trustee for the actions or decisions of fund managers or life insurance companies.

The performance of Zurich pension funds is not guaranteed and depends upon the performance of the underlying assets the Zurich pension funds invest in. The maximum amount Zurich Assurance Ltd will pay to the trustee is limited to the value of the units in the trustee investment plan based upon the amount that Zurich Assurance Ltd can obtain from the fund manager or life insurance company. If a fund manager or a life insurance company becomes insolvent or is unable to meet its obligations to Zurich Assurance Ltd, Zurich Assurance Ltd will only pay to the trustee the amount, if any, that it can recover in respect of the underlying assets allocated to the fund.

Zurich Assurance Ltd may appoint a discretionary fund manager to manage certain Zurich pension funds, or blends of Zurich pension funds. If this is the case, the discretionary fund manager is responsible for monitoring the performance of the Zurich pension fund or funds within our guidelines.

If the Zurich pension fund underlying assets invest in tangible (real) assets such as property, then the amount Zurich Assurance Ltd will pay to the trustee is limited to the market value of those underlying assets.

In some circumstances Zurich Assurance Ltd may not be able to process instructions due to events outside its control and it will not be responsible for delay or failure to place an instruction where the delay or failure is caused by such an event. These events are detailed in the agreement.

Zurich Assurance Ltd selects fund management companies and other life insurance companies to manage the underlying assets and to make investment decisions within each fund. Zurich Assurance Ltd takes reasonable care when choosing a fund management company and in monitoring the investment performance of the fund.

Zurich Assurance Ltd is not responsible for the actions and decisions of fund managers or life insurance companies. In particular, it is not responsible for a failure by a fund manager, life insurance company or other relevant third party to process transactions in an underlying asset, the insolvency of a fund manager, life insurance company or other relevant third party connected to the operation of the underlying asset nor the insolvency or inability to meet their financial obligations.



Please let us know if you would like a copy of this in large print or braille, or on audiotape or CD.

Zurich is a trading name of Sterling ISA Managers Limited.  
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25 The North Colonnade, Canary Wharf, London E14 5HS.  
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