



ABOUT YOUR – **BUYOUT BOND**

Client guide and policy conditions (Ref BB6)



ReAssure

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ABOUT THIS GUIDE

This guide is an introduction to your Buyout Bond and includes the Policy Conditions, which govern your contract.*

You may have transferred into the Buyout Bond yourself, or the trustees of your previous pension scheme may have bought it on your behalf.

In your previous pension you may only have had limited control over the decisions made affecting your pension.

* Where there is any doubt, the Policy Conditions take precedence over anything in this guide.

THE BUYOUT BOND PASSES THIS CONTROL TO YOU.

With the help of your financial adviser, you now have the opportunity to choose from a wide range of funds to plan for your future.

Over the next few pages we will introduce you to some of the key benefits of the Buyout Bond and the choices that are now available to you.

WHAT IS A **BUYOUT BOND**?

OCCUPATIONAL PENSION SCHEME

– a pension scheme organised by an employer to provide benefits for one or more employees on leaving service, reaching pension age or death.

Your Buyout Bond is a unit-linked policy which can accept a transfer payment from an occupational pension scheme or another 'Section 32' buyout plan, both of which must be registered under the Finance Act 2004.

The policy is issued in your name and belongs to you. Your previous employer and the pension scheme trustees have no further involvement.

It can be set up as a result of:

- a transfer from another 'Section 32' buyout plan, or;
- a transfer of your benefits from an **occupational pension scheme** by the trustees of that scheme.

Your Buyout Bond can only accept one transfer payment.

NEW RESPONSIBILITIES

If you have moved to the Buyout Bond from an occupational pension scheme, this may be the first time you have had full investment control of a pension. This brings with it a number of benefits, but also a new range of responsibilities. As you control the investment choice, you also bear the investment risks.

UNIT-LINKED POLICIES

Unit-linked policies are policies that buy units in a range of funds offered by the provider, in this case ReAssure. Each fund will have its own investment strategy and will be managed by professional fund managers.

The units are linked to the value of assets on the stock market, so the value of your policy will be dependent upon the performance of the stocks and shares (and other assets) your selected funds invest in.

As the value of your policy is linked to the performance of the units in the fund, it is not guaranteed. The value may fall as well as rise.

DECISION MAKING

ONCE YOUR BUYOUT BOND HAS BEEN SET UP, IT BELONGS TO YOU AND THE LINK BETWEEN YOU AND YOUR PREVIOUS OCCUPATIONAL PENSION SCHEME IS BROKEN.

You are now responsible for making all decisions in respect of your policy.

Your financial adviser will also be able to help you make some of these decisions.

With the Buyout Bond you have the freedom to:

- change the investment choice at anytime, currently without administrative cost
- nominate who you would like the scheme administrators to pay benefits to on your death
- transfer to another registered pension scheme including a Section 32 buyout plan at any time without penalty
- purchase your pension benefits with another provider at your pension date.

CHARGES

ReAssure as Scheme Administrator makes charges for the administration of your policy. Details of all charges can be found in your Key Features Illustration and Policy Conditions.

You will need to agree with your financial adviser the fees payable for the services they provide. You can arrange payment directly between you or, with your authority, we can facilitate payment of advisers' fees from your plan.

NOMINATION – an expression of wish to state who you would like considered for the payment of death benefits.

PENSION BENEFITS

AVAILABILITY

You can normally take your pension benefits at any time from age 55. You could choose to take the benefits as late as age 75 and so keep your funds fully invested. The decision is yours to make.

If you decide not to take any pension benefits, your policy will cease at age 75. Any funds held at that time must be transferred to another registered pension scheme to enable you to continue to remain invested until you decide to take your benefits.

If you become permanently incapable of following your normal employment through physical or mental incapacity, you may be able to take your benefits before age 55. You may also be able to take benefits before age 55 if you have a special protected early retirement age in respect of the benefits that have been transferred into your Bond.

BENEFIT OPTIONS

MAXIMUM BENEFITS

The Lifetime Allowance determines the amount of benefits you can take from all registered pension schemes without incurring a tax charge. Benefits are measured by their equivalent fund value. The standard Lifetime Allowance for the current tax year is £1,073,100.

You may be entitled to benefits in excess of this amount if you have registered to protect your Lifetime Allowance at a different level to the standard amount by means of primary protection, enhanced protection, fixed protection 2012, fixed protection 2014, fixed protection 2016 or individual protection 2014 or individual protection 2016.

You may also register any of the following with HM Revenue & Customs for an increased personal Lifetime Allowance:

- pension credits in respect of divorce/ dissolution of civil partnership proceedings received before 6 April 2006
- pension credits in respect of pensions in payment acquired on or after 6 April 2006
- transfer values received from relevant overseas pension schemes
- contributions made into other registered pension schemes whilst a non UK resident.

These are complex aspects of the pension regulations. If you think any of these apply to you, you should discuss them with your financial adviser who will be able to explain them in more detail.

Your benefits are normally tested against the Lifetime Allowance when you draw benefits, transfer to a qualifying recognised overseas pension scheme (QROPs) or reach the age of 75. You must therefore let ReAssure know if you are entitled to any protection at this point. Any benefits taken in excess of the maximum allowed will be subject to a tax charge of 25% if taken as pension income and 55% if taken as a cash lump sum. ReAssure will deduct any tax due before making payment to you, however, you are jointly liable for this tax and as such you should still include it in your self assessment return although no tax will be directly payable by you.

PENSION INCOME

When you want to take the benefits from your Policy, the value of units will be available to provide you with a pension income at any time between age 55 and by your 75th birthday. You can receive the benefit earlier if you have a special protected early retirement age or have become incapable of carrying on employment due to mental or physical incapacity. Please refer to your Policy Conditions for details of the income options available to you. Your financial adviser will also be able to help you with this.

All pension income will be treated as earned income for income tax purposes.

TAX-FREE CASH

You may take part of your pension fund as tax-free cash, rather than using the entire fund to provide

a pension income. The maximum tax-free cash sum allowed by legislation is normally 25% of the pension fund.

If your pension fund includes benefits built up before 6 April 2006, you may be entitled to a greater amount. Please speak to your financial adviser if you think this may apply to you.

The use of tax-free cash to fund further contributions into a registered pension scheme may carry a tax charge. We strongly recommend you seek financial advice if you are considering doing this.

OPEN MARKET OPTION

This valuable option enables you to seek out the best annuity rates in the market for your circumstances. This means you can buy pension benefits from the insurance company offering the best annuity rates at the time benefits start. There is no charge under your Buyout Bond for this option.

There are a variety of annuities available that you can choose from, including conventional, unit-linked and impaired life annuities.

LIFETIME ANNUITY RATES

The amount of a pension bought under the Open Market Option is not guaranteed and will depend on lifetime annuity rates at that time.

You should discuss with your financial adviser which of these is suitable for your circumstances.

NON UK RESIDENTS

If you are subject to tax in any country outside the UK, please contact your financial adviser or a tax specialist in the country concerned, to understand whether you will be liable for tax in that other country as a result of receiving a payment from a UK pension scheme.

OTHER OPTIONS

TRANSFER OPTION

You may ask us to arrange a transfer payment from your Buyout Bond to another registered pension scheme. The other contract may be with us or another pension provider. We can arrange such a transfer payment at any time before your pension benefits start. There are no penalties for transferring.

DEATH BENEFIT

If you die before drawing your pension benefit the scheme administrator will generally have absolute discretion to decide who will receive death benefits from your policy.

A pension death benefit (i.e. flexi-access drawdown or lump sum death benefit) can be paid to dependants and nominated beneficiaries. Because of this it is important that the scheme administrator has guidance about your wishes.

You should therefore ensure that you complete the Beneficiary Details section of your application form or nomination form provided to you. You should regularly review your expression of wishes and update as necessary.

Death benefits will normally be free from inheritance tax.

INHERITANCE TAX –
a tax payable on an individual's estate on death.

INVESTMENT FLEXIBILITY

YOUR FUND CHOICE

ReAssure offers a wide range of unit-linked funds for pension investors. The range includes both managed funds and specialist funds.

ReAssure's unit-linked funds typically track (or 'mirror') the performance of an underlying retail fund, and are therefore prefixed with the term "OMR" in order to distinguish them from the underlying retail funds. The investment performance of the OMR version of the fund will be similar, but not the same, as investing in the underlying fund directly. This is due to OMR fund charges, appropriate taxation adjustments and the OMR investment process.

For example, if you choose to invest in the OMR Invesco High Income fund through the Personal Pension, the investment performance of the OMR version of the fund will be similar, but not the same, as investing in the Invesco High Income fund directly.

The money invested in the funds will be managed professionally in a wide spread of UK and overseas investments. Depending on the funds you choose, these investments could include unit trusts, shares, Government stocks, fixed interest securities and property.

It is your responsibility to decide which funds are most appropriate to your needs at any time.

The range of funds varies, for example, as new funds become available. It may occasionally be necessary to close or merge funds. We will normally advise you and your financial adviser before any fund closure or merger as soon as reasonably practical so you can reconsider your needs.

Your financial adviser will be able to help you decide your investment strategy and which funds you should invest in.

Full details of ReAssure's range

of funds is available on request. For more information on unit-linked funds please refer to OMR's Guide to Investment in our Unit-Linked Funds, which is available from your financial adviser or from [our website](#).

DIVIDING YOUR INVESTMENT

You can split investments initially between up to 99 funds with no less than 1% of each investment allocated to any single fund. You can choose different investment sectors as well as a spread of fund managers. If we receive incomplete investment instructions, we reserve the right to allocate part or all of the investment to the OMR Deposit Fund.

To give you more control over your investments, ReAssure offers two services. These are currently offered free of any administrative charge.

PHASED INVESTMENT

This will help if you do not wish to invest your transfer payment all at once because market conditions are difficult or uncertain. Phased investment allows you to drip feed your investment into self selected funds over 3, 6 or 12 months. This option is only available at application stage.

INVESTMENT FLEXIBILITY cont.

PORTFOLIO REBALANCING

This option is available to you at any time, and helps to keep your policy invested in your chosen proportions of funds.

When you initially choose your funds you decide what percentage of your investment to put in each fund. But because financial markets move in different cycles, and at different rates your portfolio will not keep to these proportions.

Over time your portfolio will become 'unbalanced'.

Portfolio rebalancing means that your policy will periodically be put back in line with your initial selected proportions. You can choose to do this every 3, 6, 12 or 24 months.

For more information about Phased Investment or Portfolio Rebalancing, please refer to **Your phased fund choice or portfolio rebalancing programme for ReAssure bonds and pensions.**

CHANGING YOUR FUND CHOICE

With the Buyout Bond you are not tied to the initial fund choice, which may have been selected for you by the trustees of your original scheme. Now that the policy belongs to you, you can switch funds at any time. You can choose as many funds as you want subject to a minimum of 1% in any one fund. If you wish to do so you must use our pre-printed switch forms, these are available from your financial adviser or through ReAssure.

In some circumstances you may be able to switch your funds online. Please refer to **Online access** in the next section.

ONLINE ACCESS

If you have access to the internet, you can view your policy online and get up-to-date fund facts through the ReAssure online Customer Centre. You can register for this service by logging onto www.reassure.co.uk, clicking on 'Customer login' and following the on-screen instructions.

If you have other investments with ReAssure, you will be able to access these from here too.

Through the ReAssure online Customer Centre you can:

- find out the current value of your policy and each individual fund
- see your fund unit prices
- switch from one fund to another
- view the objectives for your selected funds.

If you have any online questions or require an up-to-date valuation of your Buyout Bond please contact us on **0808 171 2600**.

FURTHER INFORMATION

REGULATORY PROTECTION

Under Financial Conduct Authority (FCA) rules, we classify all our investors as 'retail clients' which means you benefit from the highest level of regulatory protection.

FINANCIAL STABILITY

ReAssure Life Limited is required to prepare and publish a Solvency and Financial Condition Report (SFCR) each year for the UK Regulator under the Solvency II regulations.

This report details the financial position of the organisation and will enable a comparison with other life assurance firms' financial positions. You can access this document from our website www.reassure.co.uk/about-us/our-business

COMPLAINT PROCEDURES

Customer satisfaction is very important to us, but if you do have any cause to complain about the services provided, either by your financial adviser or by ReAssure, there are clear procedures laid down by the Financial Conduct Authority (FCA) to ensure that your complaint is dealt with fairly.

If your complaint relates to the advice you have been given you should write in the first instance to your financial adviser. If it concerns the service you have received from ReAssure, please write to the Customer Complaints Manager at the address on page 6 and we will do everything we can to resolve your complaint.

If you are not satisfied with our response, you may refer your complaint free of charge to the Pensions Ombudsman, if it concerns the administration of your pension.

The Pensions Ombudsman can be contacted as follows:

The Pensions Ombudsman
10 South Colonnade
Canary Wharf E14 4PU
www.pensions-ombudsman.org.uk
Telephone: 0800 9174487

All other complaints may be referred free of charge to:

The Financial Ombudsman Service
Exchange Tower
London E14 9SR
www.financial-ombudsman.org.uk
Telephone: 0800 0234567

Complaining to the Ombudsman will not affect your legal rights.

COMPENSATION AND INVESTOR PROTECTION

The Financial Services Compensation Scheme (FSCS) acts as a safety net for customers of financial services providers. If ReAssure Life Limited cannot meet its liabilities, the FSCS may arrange to transfer your policy to another insurer, provide a new policy or, if these actions are not possible, provide compensation. For long-term insurance (such as pension plans and life assurance), the level of compensation you can receive from the Scheme is as follows:

- the Scheme covers payment to 100% of the value of a policy in liquidation.

If you have invested into a fund group that goes into liquidation, then ReAssure Life Limited is unable to claim compensation from the FSCS on your behalf as you are not the legal owner of the funds. You will also not be able to claim compensation directly from the FSCS in this event.

For more details please refer to our How Your Money is Protected guide, which is available from your financial adviser or from our website, while further information about compensation arrangements is available from the Financial Services Compensation Scheme website www.fscs.org.uk

PENSION WISE GUIDANCE SERVICE FROM THE GOVERNMENT

When you are considering starting to draw the value of your pension savings you are able to use a free and impartial guidance service provided by the Government called Pension Wise from MoneyHelper. Go to www.moneyhelper.org.uk/pensionwise or phone 08000 138 3944.

This service is a government backed service that offers you :

- tailored guidance (online, over the telephone or face to face) to explain what options you have and help you think about how to make the best use of your pension savings
- information about the tax implications of different options and other important things you should think about
- tips on getting the best deal, including how to shop around.

Choosing what to do with your pension savings is an important financial decision; you can often get more for your money by shopping around. This does not replace the individual advice that can be provided by your financial adviser but may help you understand the choices available to you.

COMMUNICATION TO AND FROM REASSURE

To protect your interests, we require written instructions bearing your original signature, to action switches, encashments or other such transactions. Instructions by facsimile ('fax'), e-mail, telephone or by photocopied documents are not acceptable, unless ReAssure has agreed otherwise under separate terms.

To determine the correct transaction date, we will treat instructions received by us in the first post on a working day as received on that day. We will treat instructions received in a later post or delivered by other means as received by us on the following working day. If non-standard terms (for example, online switching) have been agreed with ReAssure for receipt of instructions, the date of receipt will be governed by such terms.

Correspondence from us or notices required to be served on you will be considered to be properly given if sent by post to your address as last shown in our records.

IMPORTANT

Benefits under your Buyout Bond are determined under the terms of this contract and as permitted by regulations.

This document is based on ReAssure's interpretation of the law as at March 2019. While we believe this interpretation is correct, we cannot guarantee it.

Tax relief and the tax treatment of investment funds may change in the future.

BUYOUT BOND

POLICY CONDITIONS

APPLICABLE FROM MARCH 2019

THESE CONDITIONS TOGETHER WITH THE SCHEDULE CONSTITUTE THE POLICY. THE POLICY IS TO BE KNOWN AS THE BUYOUT BOND AND IS A UNIT-LINKED PENSION POLICY PROVIDING BENEFITS ON REACHING YOUR PENSION DATE OR EARLIER DEATH.

THE POLICY IS ISSUED BY US TO YOU IN CONSIDERATION OF THE PAYMENT OF THE TRANSFER PAYMENT BY THE APPLICANT.

DEFINITIONS

WE, US AND OUR	means ReAssure Life Limited.
YOU AND YOUR	means the Policyholder.
THE ACT	means the Finance Act 2004.
ACTUARY	means the person responsible under UK regulation for providing advice to us on sound and prudent financial management. He has a professional duty to consider the interests of our pension investors.
APPLICANT	means the person who has applied for the issue of the Policy, being either the trustees or managers of the Scheme or the Policyholder as appropriate.
BANKING DATE	means the date we bank the Transfer Payment on your Policy, this being the Business Day we receive your Transfer Payment at our Head Office.
BENEFICIARY	means (1) any of the descendants and step-descendants living at the time of the policyholder's death, of any of the parents and grandparents of either the deceased or his or her spouse or civil partner, (2) the policyholder's dependants; (3) any person entitled under the policyholder's will to any interest in his or her estate; (4) any persons nominated by the policyholder for the receipt of such a benefit; (5) the policyholder's personal representatives, to be held by them as an addition to his or her residuary estate for all purposes; and (6) a charity registered with the Charities Commission nominated by the policyholder for the receipt of such a benefit.
BUSINESS DAY	means a day that we are open for business.
CHILD	means a natural or adoptive child.
CIVIL PARTNER	means a relationship that has been registered under the Civil Partnership registration scheme, under the Civil Partnerships Act 2004. It provides a legal status to the relationship between same sex couples in a similar way that marriage provides for an opposite sex couple.

DEPENDANT	means an individual who is or was immediately prior to your death or retirement (as appropriate) (i) your spouse/civil partner (ii) your child under the age of 23 (iii) someone who is financially dependent or interdependent on you (iv) someone who is dependent on you due to mental or physical incapacity.
FEE DATE	means the 27th day of each month, or if the 27th is not a Business Day, the preceding Business Day.
FCA	means the Financial Conduct Authority including any successor regulatory authority
HEAD OFFICE	means Windsor House, Telford Centre, Telford, Shropshire, TF3 4NB.
HMRC	means Her Majesty's Revenue & Customs
INCAPACITY	means physical or mental deterioration which is sufficiently serious to prevent the individual from following his or her normal employment, or which seriously impairs his or her earning capacity. It does not mean simply a decline in energy or ability.
INCOME WITHDRAWALS	income direct from the pension fund without the need to purchase a lifetime annuity income withdrawal for the policyholder, beneficiary or nominee is defined in Schedule 28 of the Finance Act 2004.
LIFETIME ALLOWANCE	means the amount of benefits you can take from all registered pension schemes without incurring a Lifetime Allowance tax charge. Benefits are measured by their equivalent fund value. The standard Lifetime Allowance from 6 April 2019 has been set by the Government as £1,055,000. It may increase in future years but this is not guaranteed. You may be entitled to benefits in excess of this amount if you have registered to protect your Lifetime Allowance at a different level to the standard amount.
LIFETIME ANNUITY	is defined in paragraph 3 of Schedule 28 of the Finance Act 2004. Broadly, it is an annuity payable by an insurer to a policyholder, dependant or nominee for life.

MARKET TIMING	means a trading strategy often coupled with frequent purchases and sales of units in collective investment schemes with the intention of anticipating changes in market prices. This covers where the investor is seeking to exploit a fund whose price does not take account of the most recently available data and short-term trading where the investor takes a short-term trading position to take advantage of anticipated future market movements.
NOMINEE	means an individual nominated by the policyholder or if no nomination is made by the policyholder or there is no dependent, a nomination by the scheme administrator.
PENSION DATE	means the date units are encashed to provide benefits, this being the Retirement Date or such other date requested by you which is acceptable to us and is in line with current regulations but cannot be beyond your 75th birthday.
POLICY	means these conditions together with the schedule. Each Policy is identifiable by a unique Policy number shown on the schedule.
POLICY ISSUE DATE	means the date shown on the schedule.
POLICYHOLDER	means the individual named on the schedule.
RETIREMENT DATE	means the retirement date selected by the Applicant, that is acceptable under current regulations and is shown on the schedule.
SCHEME	means the scheme or contract named on the schedule being the source of the Transfer Payment and being an appropriate scheme registered with HMRC under the Act.
SCHEME ADMINISTRATOR	means ReAssure Life Limited or its successor.
SWITCH	means as defined in term 3.5.
TRANSFER PAYMENT	means the monetary transfer amount shown on the schedule. The Transfer Payment must be paid in Sterling and meet our minimum value criteria applicable at date of acceptance.
VALUATION DATE	means the day on which we calculate the value of units to create a unit price.

The expressions which are detailed above, other than personal pronouns will appear in these conditions with the first letter capitalised.

For the purpose of these conditions the singular shall include the plural and the masculine the feminine and vice versa.

BUYOUT BOND

POLICY CONDITIONS cont.

1. ACCEPTANCE

- 1.1 We cannot accept your application for the Policy until it is received at our Head Office. We may accept your application by conduct and, as such communication to you of our acceptance is not a requirement to bring the contract into effect.
- 1.2 We will communicate with you as soon as reasonably possible if we are not able to accept your application. In such circumstances we will not be obliged to give you any reason for the rejection.
- 1.3 Where we accept your application, your Policy will start on the Business Day we receive at our Head Office the last piece of documentation and the Transfer Payment required to establish the Policy and will continue until it is terminated in accordance with these terms.

2. ALLOCATION TO UNITS AND PRICES

- 2.1 100% of the Transfer Payment will be allocated to single price units in the one or more funds chosen by the Applicant at the relevant unit price(s) prevailing on the Banking Date.
- 2.2 The number of units allocated to each fund chosen will be determined by dividing the amount of the Transfer Payment apportioned to that fund by the unit price of the units in that fund on the Banking Date.
- 2.3 Unit prices for each fund will increase or decrease in line with changes in the value of the underlying assets and could in exceptional circumstances become valueless.
- 2.4 The unit prices will reflect all the expenses and levies which the fund has to meet, for example any levy under the Financial Services Compensation Scheme. These may include buying and selling costs, property maintenance and valuation costs, internal and external fund management fees and other transaction charges.
- 2.5 The units will be valued on the Valuation Date. We calculate the value of units on each Business Day. The valuation will use the latest available price we have received of the underlying assets of the relevant fund during normal business hours on that Business Day.

- 2.6 We reserve the right to change the Valuation Date of transaction under extreme circumstances when considering in particular our administration, business requirement and the interest of our pension investors.
- 2.7 We are not liable to any form of UK taxation on the funds available to your Policy. UK taxation deducted at source on investment income is recovered and reinvested for the benefit of our pension investors with the exception of pension funds which hold UK dividend producing equities. UK dividend producing equities cannot reclaim tax credits.
- 2.8 Unit prices for encashment and switching of existing funds may reflect a dealing turn which will reduce the value of the units. Most transactions will be carried out at the price calculated using a valuation based on the buying prices of the underlying assets of the fund. However where we have to sell assets because more money moves out of the fund than into it on any one day, we may adjust the pricing basis of the fund to protect the investors who remain in the fund. The adjustment will result in a drop in price on that day broadly to reflect the difference in the buying and selling prices of the fund's underlying assets. The more specialist the fund, the greater will be the potential effect of the dealing turn.

3. FUNDS AND SWITCHING

- 3.1 For the purposes of these conditions 'funds' means the pension funds available at the time for our range of pension products.
- 3.2 Each fund is a separate account within our long-term business fund. These funds are maintained to calculate the value of benefits. Each fund represents a group of investments held by us and is divided into units which represents a proportion of the investments of each fund. The allocation to units is notional and is a means of calculating policy values. You have no legal or beneficial interest in the units, the funds or any of the underlying assets which are solely our property.

- 3.3 The Transfer Payment can initially be split between up to 99 funds with at least 1% of the Transfer Payment allocated to any single fund. The split must be in whole percentages, fractions and part percentages (eg 33.3% or 1/3) are not acceptable.
- 3.4 If we receive incomplete instructions in relation to your fund choice we reserve the right to allocate part or all of the Transfer Payment to the OMR Deposit Fund.
- 3.5 You can Switch your existing funds at any time. The relevant units held in your existing funds are sold and units purchased in your replacement fund(s) at the relevant unit prices on the Business Day following the day we receive your written instructions to Switch at our Head Office.
- 3.6 If your Switch instruction is illegible or cannot be acted upon for any reason we will endeavour to advise you, however we accept no responsibility for the effects of any delay or failure to carry out part or all of a Switch in such circumstances.
- 3.7 We currently make no administration charge for Switching. We reserve the right to introduce a Switch charge if our Actuary advises it is reasonable in light of the administration costs involved. We will inform you of any such charge before it is imposed.
- 3.8 Unit prices for Switching existing funds may reflect a dealing turn, as set out in term 2.8, which will reduce the value of the units switched.
- 3.9 Where we consider it to be in your best interests or due to circumstances outside our control, we may close a fund to further investments from you.
- 3.10 We may terminate the fund for all unit holdings. An example of this could be where we consider it to be uneconomical to continue to operate a fund.
- 3.11 We may merge two or more funds where we or the manager for the underlying funds consider it to be appropriate and economic.

- 3.12 Except where the circumstances are outside our control, we will give you and your financial adviser notice of the impending closure, merger or termination including the reason for taking such action as soon as reasonably practical. You may choose another fund or funds as explained in term 3.5. If you do not make such a choice then we will choose a suitable similar fund, or if following a merger then the merged fund.
- 3.13 Fund(s) may be suspended by the fund manager and normally we will inform you and your financial adviser of a planned suspension prior to it taking place. Where we were not given prior notice of the suspension we will notify you as soon as is reasonably practical after the event. All requests for transactions involving suspended funds will be rejected until such time the fund is unsuspended. We will communicate any transaction rejection to you as soon as reasonably practical.
- 3.14 Under exceptional disaster scenarios it may be necessary to suspend all funds available to your Policy. In any such occurrences we would act in accordance with rules and follow guidelines laid down by the FCA.
- 3.15 Market Timing can be disruptive to fund management and causes dilution in funds which is detrimental to long-term investors. We seek to monitor Market Timing and take appropriate action where we or any underlying fund manager identifies Market Timing is taking place on any funds.
- 3.16 We reserve the right to reject, defer, apply an appropriate levy or charge, employ fair value pricing or adjust the fund pricing basis on a fund or individual transactions if under FCA guidelines and best market practice, we reasonably consider any activity to constitute Market Timing. We will notify you of any measures imposed in this regard as soon as is reasonably practical and agree a consequent course of action.
- 3.17 Any charge imposed will be equivalent to the charge imposed on us by the fund manager as a direct result of your Market Timing transaction and is not an arbitrary or punitive charge made by us.
- 4. DEFERRING TRANSACTIONS**
- 4.1 To safeguard all investors we reserve the right to defer any Switch request or encashment for up to two weeks. If a fund holds real property either directly or indirectly we may exercise a longer deferral period of up to a maximum of 12 months because the property in the fund may not be readily saleable. For a property fund the value of the property is generally a matter of a valuer's opinion rather than fact.
- 4.2 Where circumstances prevent us calculating fair and accurate unit prices for a transaction we may defer the transaction to a date we consider appropriate and equitable. We will consider the circumstances, your interests and the interests of our pension investors.
- 5. PENSION BENEFITS**
- 5.1 Benefits payable under the Policy shall be determined in accordance with
- (i) the limitation imposed under the Act and any relevant regulations, and
 - (ii) these Policy conditions.
- 5.2 The Policy funds available for the payment of benefits will be determined by multiplying the number of units allocated to the Policy by the relevant unit price on the Business Day following the date we receive all our requirements at Head Office.
- 5.3 Before the benefits can be paid we will also require satisfactory evidence of the following to be returned to our Head Office:
- (i) your title to the Policy ie the original schedule
 - (ii) your age ie original birth certificate and marriage certificate and
 - (iii) availability of Lifetime Allowance
 - (iv) the original HMRC certificate, confirming any enhanced Lifetime Allowance or primary/enhanced/ fixed protection.
- 5.4 When benefits are drawn we will test the value against the Lifetime Allowance. Any benefits taken in excess of the maximum allowed will be subject to a tax charge of 25% if benefits are taken as an income and 55% if they are taken as a cash lump sum. We will deduct any tax due before making payment to you, however you are jointly liable for this tax and as such you should still include it in your self assessment return although no tax will be directly payable by you.
- 6. PENSION INCOME**
- 6.1 Provided you are alive at the Pension Date and under age 75 the Policy fund value will be used to provide you with a pension income.
- 6.2 Benefits cannot be taken before age 55 unless you have a retirement age agreed by HMRC that makes this possible. Where cash is taken under Term 7 this must be taken at the same time as the pension income.
- 6.3 The pension income can be provided through one or more of the following ways:
- (i) lifetime annuity
 - (ii) income withdrawals (flexi-access drawdown).
- LIFETIME ANNUITY**
- 6.4 This allows you to use the Policy fund value to buy an annuity from the provider of your choice, see term 8 Open Market Option. The lifetime annuity guarantees regular payments until you die and once purchased cannot normally be altered.
- 6.5 Your pension income from a lifetime annuity must be payable:
- (i) for your lifetime, or
 - (ii) for your lifetime with payments guaranteed for a specified period, or
 - (iii) for your lifetime with a further annuity payable to your nominated beneficiary if you die first.
- 6.6 You can choose for your lifetime annuity to be level in payment or increasing each year by a fixed amount or in line with inflation.
- INCOME WITHDRAWALS**
- 6.7 This allows you, your dependant or a nominee (on your death), to take income directly from your Policy fund without the need to purchase a lifetime annuity.
- 6.8 Income withdrawals can cease at any time with the remaining Policy fund value being used to purchase a lifetime annuity.
- 6.9 Access to this facility with us is achieved

BUYOUT BOND

POLICY CONDITIONS cont.

through movement of your Policy fund value to another registered pension scheme and is therefore subject to additional terms and conditions of that scheme.

AGE 75

- 6.10 This contract will stop at age 75 and any funds held in your policy must be transferred to another registered pension scheme, if you wish to continue to remain invested or take benefits.

SMALL LUMP SUMS

- 6.11 If on reaching your Pension Date you are aged between 55 and 75 and the value of your policy is less than £10,000 and you have not exercised the small pots option more than twice in your lifetime you can take the entire Policy fund value as a lump sum. 25% of the Policy value will be paid tax free while the remainder will be taxed as pension income.

7. TAX-FREE CASH SUM

- 7.1 Provided you are alive at the Pension Date and under age 75 you may take part of the Policy fund value as a tax-free cash lump sum. The maximum tax-free cash sum is normally 25% of the Policy fund value. Subject to the terms of the Act and relevant regulations, you may be entitled to more than this if your Policy includes funds accrued before 6 April 2006.

8. OPEN MARKET OPTION

- 8.1 Provided you are alive on the Pension Date we will, on your request, pay the Policy fund value (less any tax-free cash sum taken under term 7) directly to the provider of your choice to purchase pension benefits.
- 8.2 There is no charge under your Policy for this option.

9. DEATH BENEFITS

- 9.1 If you die before the Pension Date benefits will be payable in accordance with:

- (i) the limitation imposed under the Act and any relevant regulations; and
- (ii) these Policy Conditions.

- 9.2 The Policy fund value available for the provision of death benefits will be determined by multiplying the number of units allocated to the Policy by the unit price on the Business Day following written notification of death at our Head Office.

- 9.3 If the payment of death benefits is delayed beyond the date of notification interest calculated by reference to the period from the date of notification to the date of payment will be added to the Policy fund value as at the date of notification. The rate of interest will be determined by the percentage change in the unit price of the OMR Deposit Fund or such other deposit based formula that we consider suitable.

- 9.4 Before the death benefits can be paid we will require to be returned to our Head Office, the original schedule along with the original death certificate and satisfactory evidence of the following:
- (i) title of the person making the claim
 - (ii) any other matters we may reasonably specify.

- 9.5 The value of death benefits payable will be tested against your Lifetime Allowance if you die before age 75 and payment is made within 2 years of notification of death. Any benefits taken in excess of the maximum allowed will be subject to a tax charge of 55% if taken as a lump sum or 25% if taken as pension income. The payment of any tax due to HMRC on any lump sum benefit is the responsibility of the recipient and will not be deducted by us before payment.

- 9.6 In the event of your death the scheme administrators will hold your pension fund death benefits to distribute at their absolute discretion. The distribution can be made to any Dependant or any nominated individual, trust or charity as described in the Finance Act 2004.

- 9.7 Any death benefits will generally be free of income tax.

- 9.8 In the event of your death, each death benefit recipient may instruct the scheme administrator to create a dependants or nominees flexi-access drawdown plan and immediately transfer the benefits into another dependants or nominees flexi-access drawdown.

- 9.9 Terms 9.5 to 9.8 inclusive provide for the payment of death benefits on death prior to age 75 and for that payment to be made within 2 years of notification of death. If the scheme administrator is unable to make the payment because the whereabouts of one or more of the chosen beneficiaries are unknown or payment instructions have not been provided by or on behalf of one or more of the chosen beneficiaries, the scheme administrator will hold the lump sum outside the Policy until the scheme administrator can pay the sum to the chosen beneficiary or beneficiaries.

- 9.10 If the scheme administrator is unable to identify a chosen beneficiary or beneficiaries under term 9.9 then, subject to term 9.8, then the scheme administrator will apply the remaining pension fund death benefit for the benefit of persons as if the policyholder had died intestate, solvent and domiciled in England. Those individuals will take in the same shares and on the same terms as they would have taken if the relevant sum had formed the entire residuary estate of the member.

10. TRANSFERS

- 10.1 On receipt of your written request and on satisfaction of all our requirements, a transfer of your Policy fund value may be made directly to any appropriate pension scheme as governed by The Act and any relevant regulations.
- 10.2 The Policy's transfer value will be determined by multiplying the number of units allocated to the Policy by the unit price on the Business Day following receipt of your written request and the last of our requirements at our Head Office.

11. CHARGES

- 11.1 An Annual Management Charge will apply to the Policy. The charge is a percentage of the Policy fund value, paid by deduction of units on the 26th of each month. The charge will be divided by the unit price on the date of deduction to determine the number of units encashed. Where the 26th falls on a non-Business Day the unit price applicable on the nearest preceding Business Day will be used.
- 11.2 Your individual Buyout Bond Key Features sets out the level of Annual Management Charge that applies to your Policy.
- 11.3 We may vary the Annual Management Charge in the future if the costs and expenses affecting the Policy increase, or if there is any change to taxation or any regulatory change affecting life assurance companies which affects the Policy, but not otherwise. Any such change will be proportionate. We will advise of any such change at the first practical opportunity, although we may change the charges without notice.
- 11.4 If you choose it, an Adviser's Fund Based Fee can apply to the Policy. The fee is met by the deduction of units for the whole term of the Policy or a specific number of years depending on what you have agreed with your financial adviser.
- 11.5 The fee can be taken monthly, quarterly, half-yearly or yearly and is deducted on the last Fee Date of each period. The first period begins on the Banking Date of the Transfer Payment.
- 11.6 You can stop, reduce, increase or reinstate the fee at any time.
- 11.7 The exact percentage fee and the terms on which it is payable have been requested by you and can be found in the Key Features Illustration provided to you by

your financial adviser.

- 11.8 If you choose it, an Adviser's Servicing Fee can apply to the Policy. The fee is met by the deduction of units for the whole term of the Policy or a specific number of years depending on what you have agreed with your financial adviser.
- 11.9 The fee can escalate in payment annually by a fixed percentage.
- 11.10 The fee can be taken monthly, quarterly, half-yearly or yearly and is deducted on the last Fee Date of each period. The first period begins on the Banking Date of the Transfer Payment.
- 11.11 The fee can only be selected at outset. The fee can be stopped, increased or decreased at any time, but can never exceed the original level. The fee can not be reinstated.
- 11.12 The exact percentage fee and the terms on which it is payable have been requested by you and can be found in the Key Features Illustration provided to you by your financial adviser.
- 11.13 If you choose it, an Adviser's Initial Fee can apply to the Policy. We will allocate units from the transfer payment and we will deduct units to cover the fee on the same Business Day. The fee can be expressed as a percentage value or a monetary amount.
- 11.14 The exact percentage or monetary amount has been requested by you and can be found in the Key Features Illustration provided to you by your financial adviser.
- 11.15 Charges may be applied to the underlying assets of the funds by fund managers, referred to as fund management charges. Such charges are reflected in the daily pricing of the units and vary from fund to fund.

- 11.16 The fund management charges cover the payments and expenses incurred in the management, maintenance and valuation of each fund and its assets. These include administration costs and custodian fees. Where a fund invests in collective investments, the unit price will implicitly reflect the underlying annual management charge and expenses of those assets levied by the fund manager.
- 11.17 The fund managers usually reserve the right to alter the charges applied by them in the future. Descriptions of the funds and their management charges are available on request.

12. CANCELLATION

- 12.1 After your application for transfer has been accepted you have a right to cancel. Once you have received all appropriate documentation you have 30 days in which you may change your mind.
- 12.2 Cancellation rights do not apply if the Plan has been established as a result of trustees of an occupational pension scheme transferring benefits (for example on the winding up of a company scheme).
- 12.3 This must be done in writing to the ReAssure Head Office address.
- 12.4 If you decide to cancel we will return your pension payment to the scheme it came from. You should note that the receiving scheme has no obligation to accept this returned money.
- 12.5 If the scheme will not accept your pension fund back we will hold the funds until you provide us with an alternative pension provider to pay these funds to.
- 12.6 If your funds have already been invested into your chosen funds and the funds have reduced in value, we will only refund the reduced value of these funds, minus any adviser fees. If your funds have increased in value, we will only refund the amount you invested, minus any adviser fees.

BUYOUT BOND

POLICY CONDITIONS cont.

- 12.7 If you have entered into an agreement with your financial adviser and a fee has been paid to them, we will not refund this fee. This fee is an agreement between you and your financial adviser and as such will have to be discussed with them.
- 13. AMENDMENT TO THESE CONDITIONS**
- 13.1 Your Policy may continue for a number of years and is affected by applicable regulations, legislation, and the rules of regulatory authorities including the FCA. In view of the potential for a change to any of the above and the need for flexibility in the conditions, it is important that we have provision to vary these conditions in the future where necessary to reflect such a change.
- 13.2 We may vary any of these conditions without notice, to comply with any change in the regulations or legislation, or in the practice or rules of the FCA or any other regulatory authority that affects the Policy. We will inform you of any such changes and the dates from which they take effect, as soon as is reasonably practicable and where possible in advance of such changes taking place.
- 13.3 We may vary these conditions without notice and without your agreement, either:
- (i) if it means we can administer your Policy more effectively; or
 - (ii) to introduce additional facilities and provisions to increase the scope of your Policy.
- 13.4 Any variation of and any waiver of any rights under, any conditions of this Policy may be made by us only by an endorsement or written communication signed by one of our authorised officials.
- 14. GENERAL**
- 14.1 The Policy shall be subject to and construed in accordance with the Law of England and Wales. We and you submit to the exclusive jurisdiction of the courts of England and Wales.
- 14.2 Unless we agree otherwise, any notification, requests or instructions to be given to us must be given in writing bearing your original signature and sent or delivered to our Head Office. Any instruction, notification or request received by us at our Head Office in the first post on a Business Day will be treated by us as received on that day. Any received in the second post on a Business Day or by any other means will be treated as received the following Business Day.
- 14.3 Correspondence from us or any notice required to be served on you will be considered to be properly given if sent by post to your address last shown on our records.
- 14.4 Any reference to an item in the schedule in these conditions will include any amendment made in accordance with these conditions whether by reissue of the schedule or endorsement of the Policy.
- 14.5 A person who is not party to this contract has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of this Agreement. However third parties' rights that are not covered by this Act are unaffected.

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Registered in England No. 1363932.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Firm reference number 110462.

RE0167/220-0167/March 2020