

Key Features of the Just Retirement Fixed Term Annuity

This brochure outlines the key features of the Just Retirement Fixed Term Annuity.

The Financial Conduct Authority is a financial services regulator. It requires us, Just Retirement, to give you this important information to help you decide whether our Fixed Term Annuity is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

If you have any questions, please discuss them with your financial intermediary.

You will receive a personal quotation showing the benefits available to you which you should read and keep safe for future reference.

We have tried wherever possible to avoid using jargon, but we have included a glossary towards the back of this document to help explain some of the common terms you will come across. Where these terms are used we give them an initial capital letter to remind you that you can look up their meaning in the glossary.

Contents

Key Features of the Just Retirement Fixed Term Annuity	2
Questions and answers	4
Further information	9
Glossary	11

Key Features of the Just Retirement Fixed Term Annuity

Its aims

- To provide you the opportunity to choose an income, if required, for your selected term, within Government Limits.
- To give you the opportunity to select the income and lump sum benefits to be paid if you die before the end of the term.
- To provide a guaranteed maturity amount if you live until the end of the term.
- To give you the flexibility to choose your preferred option(s) at the end of the term.

Your commitment

- To transfer your Capped Drawdown pension fund to the Just Retirement Fixed Term Annuity.
- To be certain about the decisions you make regarding the structure of your policy as the benefits selected cannot be changed once the policy has commenced.
- To ensure your representatives on your death are aware of the need to inform us if you die during the term.

Risks

Future income

- Whilst the maturity amount is guaranteed, Lifetime Annuity rates in the future are not. This means, if you use the maturity amount to purchase a Lifetime Annuity, future income levels may be higher or lower, compared to a Lifetime Annuity purchased today.
- The Plan is designed to be held until the end of the term. If the conversion feature is exercised, the level of income received from another retirement income product may be higher or lower than the current fixed term annuity income.

Income

- The level of income is reviewed regularly and may be restricted during the term to ensure it remains within Government Limits.
- Your situation may change after the Plan has started, but you cannot change the level of income selected.

Guaranteed maturity amount

- Should you decide to buy another pension or retirement product with the guaranteed maturity amount you will need to meet any criteria that the provider has at that time.

Death benefits

- If death benefits haven't been selected for your Dependant and/or beneficiaries on your death, or those you had selected are no longer applicable, nothing further will be paid from the Plan.
- Your situation may change after the Plan has started but you cannot change the death benefits selected.

Conversion value

- If plan protection is not selected, the option to convert into another retirement income product during the term will not be available.
- Your conversion value, where applicable, may be less than the guaranteed maturity amount and the original fund value if the conversion feature is exercised.

Inflation

- Over the years inflation may reduce the real value of your income payments and guaranteed maturity amount. You can choose to have escalation, which means that your income payments would increase each year. However, the rate of inflation may be higher.

Rate changes

- Fixed term annuity rates can go up and down. If your pension fund(s) arrive after the guarantee expiry date shown on your personal quotation, or the applicable Government Limits change, your income and/or guaranteed maturity amount could change.

Cancellation and changes

- You can cancel your application 30 days after receiving the 'Important information about your right to cancel' form, which we will send with your policy documents.
- The Plan has no surrender value at any time.

Questions and answers

What is the Just Retirement Fixed Term Annuity?

The Just Retirement Fixed Term Annuity is a Drawdown Plan.

In return for a Capped Drawdown pension fund transferred from any existing UK registered pension scheme, you can choose:

- the level and frequency of your income, within Government Limits;
- the term; and
- your death benefits.

A guaranteed maturity amount is calculated at the start, and if you live until the end of the term the guaranteed maturity amount can either be paid directly to you or be used to purchase another pension or retirement product.

Who might purchase a fixed term annuity?

Customers who:

- need a specified level of secure income for a known period of time; and/or
- aren't ready to make a once-and-for-all decision on their pension income for life; and/or
- want to retain some control and flexibility with their pension fund but without any investment performance risk during the term, if held to maturity.

Before making a decision to purchase this product, please speak to your financial intermediary. They will be able to recommend whether it is suitable for your circumstances.

Am I eligible to purchase a Just Retirement Fixed Term Annuity?

You are eligible if:

- you are aged at least 55;
- the Plan finishes on or before your 90th birthday (or, if they are older, your Dependant's 90th birthday where a Dependant's benefit is selected);
- the Capped Drawdown pension fund being transferred is from a UK registered pension scheme;
- you are a UK resident at the start of the Plan; and
- your pension fund is received as a transfer payment and **not** as an open market option (OMO). The OMO is specifically used to purchase a Lifetime Annuity.

How much can I transfer?

- The minimum combined Capped Drawdown pension fund that can be transferred into the Plan is £10,000.
- The normal maximum transfer is £1,000,000. Transfers in excess of this amount will be considered on an individual basis.

What length of term can I choose?

You can choose any term from three to fifteen years. This must be in whole years and months and must finish on or before your 90th birthday (or, if they are older, your Dependant's 90th birthday where a Dependant's benefit is selected).

How much income can I choose?

You can select a level of income from nil to the maximum income level set by Government Limits, at the start of the Plan.

Income payments will remain level throughout the term or, you can choose payments that increase at a fixed rate of up to 8.5% each year. If you've selected to increase your payments each year this will occur on the anniversary of the first income payment date.

Your level of income is shown on your personal quotation. If your pension funds arrive after the guarantee expiry date or they are a different amount to that shown on your accepted personal quotation, then your level of income may change.

When will I receive my income payments?

You may select your income payments to be paid monthly, quarterly, half yearly or yearly.

You can either have your first income payment paid on the policy start date (in advance) or at the end of the first income payment period (in arrears).

Income payments are always paid on the first of the month. However, if the first of the month happens to be a weekend or bank holiday then the first income payment will be paid on the next available working day. All future payments due, which fall either on a weekend or bank holiday, will be made on the working day prior to the payment due date.

Will my level of income change during the term?

Your income limits are reviewed periodically. The regularity of the reviews are determined by the Government, which currently states that those under 75 have reviews every three years and those over 75 have reviews annually.

At each review, the Government Limits applicable to your Plan may go up or down. If the new limit is higher than your selected income, we will continue to pay your selected income.

If the new Government Limit is lower than your selected level of income, we may have to restrict your income to this amount.

What options do I have if my new Government Limit is lower than the income amount I am receiving from my Fixed Term Annuity?

If, following a review, your new Government Limit falls below the income amount you selected at outset, you will have the following options:

1. You can do nothing, in which case you will automatically receive a lower income from your Fixed Term Annuity in line with the new limit. The difference between the income amount you selected and the amount we are able to pay you will be converted into an additional maturity amount payable if the guaranteed maturity amount becomes payable.

If a subsequent review increases the Government Limit to a level that enables us to increase your income, we will do this up to your original selected income or the new Government Limit (whichever is lower).

2. Alternatively, you can ask us to remove the income restrictions on your Fixed Term Annuity. This will enable you to continue receiving your chosen level of income. From that time the Government Limits will no longer apply to your Plan.

Please note that if you do ask us to remove the restrictions, you will be considered to have accessed your pension flexibly.

This will reduce the amount you are able to contribute tax free to other Money Purchase Pension Scheme(s) each year from £40,000 to £10,000. You will also be required to notify any other money purchase or hybrid pension scheme(s) you are contributing to, or accruing benefits under that you have accessed your pension savings flexibly.

How much will the guaranteed maturity amount be?

The guaranteed maturity amount depends on:

- your age;
- the size of the Capped Drawdown pension fund you transfer to us;
- the term;
- the amount and frequency of income you choose;
- the death benefit options you choose;
- the Market Conditions at the time we issue your personal quotation;
- our charges to set up and administer the Plan; and
- the adviser charge if facilitated by us from the Plan, to pay your financial intermediary for the advice and/or services you received in respect of the Plan.

The guaranteed maturity amount is shown on your personal quotation. If your pension funds arrive after the guarantee expiry date or they are a different amount to that shown on your accepted personal quotation, then the guaranteed maturity amount may change.

What happens if I die during the term?

If you didn't select any death benefits at the start of your Plan and you died during the term, no further payments (apart from any proportionate income payments due) would be made.

Depending on what death benefits you chose at the start of the Plan we may pay an income, a one off payment, or both if you die during the term.

Selection of your death benefits should be considered very carefully to ensure you make adequate provision for your beneficiaries.

What death benefits can I choose?

The Plan offers three optional death benefits, that must be selected at the start of the Plan:

1. Plan protection

If plan protection is selected and you die during the term and you've not selected a Dependant's benefit we will pay out a plan protection payment. This payment will be calculated by taking away any income (before tax) already paid to you from the original transferred pension fund and may be subject to tax.

If you've selected plan protection and a Dependant's benefit, we will only pay a plan protection payment if both you and your Dependant die before the maturity date.

You can let us know who you would like to receive the plan protection payment, however Just Retirement will retain ultimate discretion as to who will receive the benefit when you die. Where permitted by legislation, the beneficiary may choose for the plan protection payment to be made:

- as a lump sum death benefit;
- as a one off Flexi Access Drawdown payment; or
- as a transfer to another pension arrangement.

If you select plan protection, you will automatically have the conversion feature included with your Plan. If you also select a Dependant's benefit, and you were to die during the term, the conversion feature would be passed on to your Dependant.

2. Guarantee period

You may want to guarantee your income payments. Guarantee periods can range up to 10 years (whole years only) and may not be more than your selected term length.

If you die during the guarantee period we will pay the remaining income for the balance of the guarantee period as a lump sum (less tax) to your beneficiaries, unless a Dependant's benefit has been selected.

If a Dependant's benefit has also been selected we will pay the remaining income under the guarantee period as continued income. This process is described in the Dependant's benefit section below.

If income is being paid under the guarantee period to your Dependant and they then die before the guarantee period expires, we will pay any remaining income for the balance of the guarantee period as a one-off payment to your Dependant's beneficiaries.

You can let us know who you would like to receive the payment. However Just Retirement will retain ultimate discretion as to who will receive the benefits when you die.

A guarantee period cannot be chosen if plan protection has been selected.

3. Dependant's benefit

You can choose to provide a proportion of your income to your Dependant if you die before the end of the term. Up to 100% of the income that was paid to you may be selected. If you die then the Dependant's benefit will start from your death or at the end of any guarantee period selected, whichever occurs last.

The same selected percentage of Dependant's benefit is used to determine the value of the guaranteed maturity amount paid, if your Dependant survives until the end of the term. For example, if you select a 50% Dependant's benefit, then we will pay 50% of the guaranteed maturity amount to them, if you die during the term but they survive to the end of the term.

A Dependant's benefit may be selected in addition to either a guarantee period or plan protection.

What if my circumstances change during the term?

If you selected plan protection at the start of your Plan and your circumstances change during the term you could exercise the conversion feature.

The conversion feature allows you to convert your fixed term annuity at any point during the term, for any reason, if financial advice has been given. The conversion value can be used to purchase another pension product subject to the eligibility criteria of that product at the time.

Common reasons to consider exercising the conversion feature:

- diagnosis of a medical condition qualifying you (or your spouse, civil partner, financial Dependant) for an Individually Underwritten Annuity;
- death of a spouse, civil partner or financial Dependant;
- divorce/dissolution of civil partnership;
- marriage/civil partnership;
- being granted early retirement due to ill health;
- redundancy.

This means you don't have to wait until the end of the term giving you the flexibility and confidence to make a decision whenever circumstances change, putting you in control.

What are my options at the end of the term?

You can choose for your maturity amount to be paid directly to you (subject to tax), or be used to purchase another pension or retirement product.

If you choose for your maturity amount to be paid to you, you will be considered to have accessed your pension flexibly. This will reduce the amount you are able to contribute tax free to other Money Purchase Pension Scheme(s) each year from £40,000 to £10,000. You will also be required to notify any other money purchase or hybrid pension scheme(s) you are contributing to, or accruing benefits under, that you have accessed your pension savings flexibly.

We will write to you before the end of the term to remind you of your maturity options.

Your pension funds will receive no interest between the maturity date and the time we are able to carry out your maturity instructions.

What charges may I need to pay if I use my conversion value, or guaranteed maturity amount at the end of the term, to purchase another product?

If you purchase another product with either the conversion value or the guaranteed maturity amount, you will be charged for doing so by the product provider. They will provide you with details of these charges at the time. You may also be charged for the costs of arranging or providing advice relating to the purchase of another product by your financial intermediary; again they will provide you with the details of these charges at the time.

Can I change my mind?

You can cancel your application before the Plan is set up, and up to 30 days after receiving the 'Important information about your right to cancel' form, which we will send with your policy documents.

If you decide to cancel your Plan, you must return the 'Important information about your right to cancel' form, and any income already paid to you. Once the 30 day cancellation period has expired, you will not then be able to cancel your Plan.

On receipt of your request to cancel, we will attempt to return your money to your original pension scheme provider, but if this company is not willing to accept a refund, it is your responsibility to gain agreement from another company to accept your money and inform us who this is.

What are the charges?

Our charges:

Our charges to set up and administer the Plan will be calculated at the start and will be reflected in the income, if selected, and the guaranteed maturity amount shown in your personal quotation.

Adviser charges:

If you've received advice from a financial intermediary and want Just Retirement to facilitate the adviser charges from your Plan, these charges will be reflected in your take up quotation.

Any adviser charges should have been discussed and agreed with you by your financial intermediary before asking you to sign the application form.

Further Information

Tax

Your retirement income will be taxed according to instructions from your local tax office. Income of this type is taxed under the Pay As You Earn (PAYE) system.

Any income or one-off payment made to your dependant or beneficiaries as a result of a death in relation to the Plan may also be subject to tax:

- If you die before age 75, any payment made to your dependant or beneficiaries can be made free of tax.
- If you die aged 75 or older before 6 April 2016,
 - Any income paid to your dependant will be subject to tax at their marginal rate of income tax.
 - Any one off payment made to your beneficiaries will be taxed at 45%, unless paid under Flexi Access Drawdown rules, in which case it will be taxed at the recipient's marginal rate of income tax.
- If you die aged 75 or older on or after 6 April 2016, any payment made to your dependant or beneficiaries will be taxed at the recipient's marginal rate of income tax.

Tax treatment depends on individual circumstances and may be subject to change in the future.

Residency

You must be a UK resident to apply for the Plan and should you move abroad during the term you may not meet our requirements to convert to a Just Retirement Individually Underwritten Annuity.

Law

The law applicable to the conditions of the contract shall be English law. The contract will be written in English.

Full details of the contractual conditions of this Plan will be supplied at the same time as your first personal quotation.

Client categorisation

There are various categories of client set out under financial regulations. Just Retirement will treat you as a 'retail client' which gives you the greatest level of protection, and ensures you get full information about any products you buy.

Queries

For further information about the Just Retirement Fixed Term Annuity please telephone, fax or email us as follows:

Tel: **01737 233297**

(Lines are open Monday – Friday 8:30am to 5:30pm local call rates apply)

E-mail: **customer@justretirement.com**

Alternatively you can write to us at the address shown on page 12.

Compensation

Just Retirement is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Further information about compensation arrangements is available from the FSCS or at www.fscs.org.uk

What to do if you are unhappy?

Your first step is for us to understand the problem. You can share your concerns with our staff either in person, by telephone, email or letter as follows:

Tel: **01737 233297**

(Lines are open Monday – Friday 8:30am to 5:30pm local call rates apply.)

E-mail: **complaints@justretirement.com**

Or write to The Customer Service Manager at the address provided on page 12.

Should you feel that your complaint is not dealt with to your satisfaction, you can take the matter up with the Financial Ombudsman Service at:

The Financial Ombudsman Service
Exchange Tower
London E14 9SR

Tel: **0800 0234567**

Making a complaint will not prejudice your right to take legal proceedings.

Glossary

Here is a brief explanation of some of the terms used in this guide relating to the Just Retirement Fixed Term Annuity.

- **Drawdown:** is a way of taking income directly from the Plan.
- **Capped Drawdown:** is a form of Drawdown which cannot exceed the Government Limits.
- **Flexi Access Drawdown:** is a form of Drawdown where no maximum limits apply.
- **Lifetime Annuity:** is a retirement income product that provides a lifetime income in exchange for a pension fund. The income is guaranteed and will continue to be paid for as long as you live.
- **Government Limits:** is the minimum and maximum levels of income you can take from your Capped Drawdown arrangement each year.
- **Dependant:** means any person named as your Dependant who is either financially dependent on you, is interdependent with you, or is your spouse or civil partner at the time of your death. The Dependant cannot be a child.
- **Individually Underwritten Annuity:** is a Lifetime Annuity which reflects health and lifestyle conditions in the income payments.
- **Plan:** this can be made up of one or more separate parts, each part corresponding to a specific pension fund or part of a pension fund that you transfer to us. We call each part a 'policy'.
- **Market Conditions:** is a term that refers to the returns we receive on the investments we purchase to secure your guaranteed maturity amount or any death benefits that may become payable.
- **Money Purchase Pension Scheme:** is a term that is used to describe a pension scheme where the benefits are determined by the level of contributions, charges and investment returns, as opposed to being prescribed at outset.

About Just Retirement Limited

Just Retirement Limited is incorporated as a company limited by shares. Registered in England No. 05017193. Just Retirement's registered Office is at Vale House, Roebuck Close, Bancroft Road, Reigate, Surrey RH2 7RU.

Just Retirement is a UK authorised insurance company authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our Financial Services Register number is 232595.

For more information contact:

Telephone: **01737 233 297**

Lines are open Monday to Friday, 8.30am to 5.30pm.

Email us: **policy.admin@justretirement.com**

Or log onto our website for further information:

www.justretirement.com

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