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# PENSION ANNUITY

## Product Information including Fair Value Assessment and Target Market Statement

### SUMMARY

This document covers the Just Pension Annuity currently available for new customers.

It's designed to provide you with the appropriate information to enable you to understand the product's key features, identified target market (including characteristics of vulnerability) and expected distribution strategy.

It also provides the outcome of our product fair value assessment, which we formally review at least annually and monitor for changes throughout the year.

**Our overall assessment is that the product continues to deliver fair value for customers in the target market for the product.**

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### PRODUCT PURPOSE AND BENEFITS

Our Pension Annuity is designed to give customers an income which is guaranteed for as long as they live. We use health and lifestyle information to personalise the income your client gets. A range of options can be selected at outset to tailor your client's annuity features and benefits to meet their specific needs and circumstances.

The Pension Annuity is a lifetime annuity established for the purpose of securing a guaranteed income for life from monies held in a UK Registered Pension Scheme, not including offshore funds. Income under the annuity is calculated by reference to the client's personal, medical and lifestyle history. Deductions from any payments will be in accordance with the law.

The product is regulated by the Financial Conduct Authority (FCA).

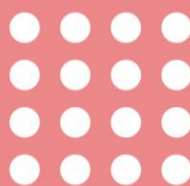
The product is covered under the Financial Services Compensation Scheme (FSCS). Annuities are classed as long-term insurance benefits and therefore receive 100% protection with no upper limits.

The product is designed to:

- Provide a guaranteed income for life.
- Provide, as an option, a guaranteed income for a partner or other person after the death of the annuitant.
- Guarantee, as an option, the income for a certain period regardless of death.
- Provide, as an option, a capital guarantee.
- Provide, as an option, a protection against inflation risk by allowing the income to escalate by a fixed percentage or linked to RPI or LPI (RPI with a cap).

Our service proposition is designed to provide a good customer experience and outcome.

For a fuller description and list of options, please refer to our specific product literature which can be found on our website [justadviser.com](https://justadviser.com)



## LIMITATIONS

Limitations of the benefits are:

- Customers cannot cancel the policy after a 30-day cancellation period.
- There is no cash in or surrender value at any time.
- Options must be selected at outset and can only be amended in the 30-day cancellation period.
- Options cannot be amended in the event of a change in personal circumstances outside of the 30-day cancellation period.
- If a customer dies early in the policy having not selected a guarantee period, value protection or dependant's income, the total monetary benefits may be significantly less than the premium paid.
- The policy will not accept funds for investment other than to purchase an annuity immediately upon receipt.

For further details, please refer to our specific product literature which can be found on our website [justadviser.com](http://justadviser.com).

**We don't believe that any consumer groups within the target market are inappropriately excluded by the limitations of the product.**

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## TARGET MARKET

The product is designed and suitable for clients who:

- ✓ require certainty, security and peace of mind throughout their retirement
- ✓ want to have a regular, known level of retirement income that's not affected by investment market performance
- ✓ want the option to ensure their spouse, civil partner or dependant receive an income upon death
- ✓ want the option to protect the capital value of their pension in case of premature death
- ✓ want the option to minimise the risks of inflation on their pension income, or
- ✓ need a specific level of income using some or all of their pension capital.

This product is unlikely to be suitable for clients who:

- ✗ have no income requirement
- ✗ require a guaranteed income from non-pension savings
- ✗ are seeking capital growth
- ✗ may want flexibility to change the level of regular income as their circumstances change over time
- ✗ are looking for short-term income solutions
- ✗ would like flexibility to change any of the options selected at outset
- ✗ wish to cash in or surrender their annuity at a later date
- ✗ have a terminal illness with a life expectancy diagnosis of less than 12 months, or
- ✗ want certainty that the income payments they receive will be at least equal to the initial investment used to purchase the annuity.



## ELIGIBILITY CRITERIA

To be eligible for our Pension Annuity your client and any dependant must satisfy the below criteria.

- Minimum age: Annuitant: 55 (50 where legislation allows) and Dependant: 40.
- Maximum age: none.
- Resident in the UK (not including the Channel Islands or Isle of Man) and they're purchasing the annuity with funds from a UK registered pension scheme.
- Minimum purchase price: £2,000.
- Maximum purchase price: £2,000,000 (greater value may be available on request).

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## HOW IS THIS PRODUCT DESIGNED TO BE SOLD?

This product is available through:

- suitably qualified financial advisers providing a personal recommendation on an advised basis (the product can facilitate an adviser charge), and
- financial intermediaries on a non-advised basis – whereby the features and benefits available are presented and explained to the client for them to make an informed decision, choosing those relevant to their individual circumstances.

We would expect that personal, lifestyle and medical details are captured through both distribution channels in order to ensure a fully personalised income from the product.

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## CUSTOMERS WITH CHARACTERISTICS OF VULNERABILITY

We've taken vulnerable consumers into account at all stages of the product and service design process, including idea generation, development, testing and launch. As part of the continuous development of products and services we review our approach to ensure we continue to deliver good customer outcomes.

There are four identified key drivers which may increase the risk of vulnerability. These are:

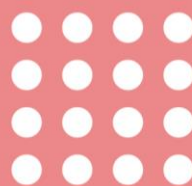
- **Health** – health conditions or illnesses that affect the ability to carry out day-to-day tasks
- **Life events** – major life events such as bereavement, job loss or relationship breakdown
- **Resilience** – low ability to withstand financial or emotional shocks
- **Capability** – low knowledge of financial matters or low confidence in managing money (financial capability). Low capability in other relevant areas such as literacy or digital skills

Some customer groups are more likely to display characteristics of vulnerability than others and may display more than one characteristic.

Due to the age profile and nature of our products, customers within our target markets are more likely to experience characteristics of vulnerability.

To ensure we provide good outcomes to all our customers, we're committed to:

- Educating and training for colleagues, ensuring they have the appropriate skills and experience to recognise and respond to the needs of vulnerable customers.
- Providing suitable customer service and communications.



- Adapting our policies and procedures, where appropriate, to support specific customer needs.
- Monitoring and evaluating relevant management information to support the identification of practical action and/or innovation that supports the delivery of good outcomes for our customers.

**We don't believe that vulnerable customers within the target market will be excluded from enjoying the full benefits of this product.**

## FAIR VALUE ASSESSMENT

The aim of this section is to provide distributors with an overview of the findings from the fair value assessment.

We have developed a comprehensive and robust assessment process, which evaluates several aspects to determine the value of our Pension Annuity product. This analysis is used to ascertain whether the product delivers fair value for customers.

We review the fair value of our products at least annually and the outcomes of our assessment process go through appropriate internal governance, allowing for challenge and further investigation before we sign-off the outcomes and share the summary of our assessment with you.

While our assessments cover a broad range of measures, the core fair value indicators assessed include:

Feature	Pricing and Costs	Service Assessment (Including Complaints)	Distribution
<b>Assessment will review:</b> <ul style="list-style-type: none"><li>• The range of benefits the product provides</li><li>• Usage of features</li><li>• The quality of the product</li><li>• Target Market Assessment</li><li>• Competitor comparison</li><li>• Any limitations on the scope and service we provide or the features of the product</li></ul>	<b>Assessment will review:</b> <ul style="list-style-type: none"><li>• Pricing value for money criteria</li><li>• Profitability data, including revenue and profit margins</li><li>• The fees and charges customers pay for the product</li><li>• Comparable market rates and charges</li><li>• Advice fees paid to intermediaries</li><li>• Costs of providing the product</li><li>• Non-financial costs associated with operating the product</li></ul>	<b>Assessment will review:</b> <ul style="list-style-type: none"><li>• Quality of service delivered and the action taken if there is any negative impact on customer experience</li><li>• Complaints data</li><li>• Intermediary feedback</li><li>• Customer experience and satisfaction</li><li>• Customers with characteristics of vulnerability and ensuring they do not receive poor outcomes</li></ul>	<b>Assessment will review:</b> <ul style="list-style-type: none"><li>• Whether the distribution strategy remains appropriate and whether there are any areas which negatively impact on customer outcomes</li><li>• Decency limits to adviser fee levels</li><li>• Terms of Business with advisers</li></ul>

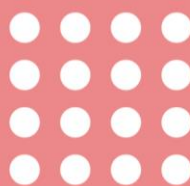


Our overall assessment is that the product continues to deliver fair value for customers in the target market for the product.

- The product remains consistent with the needs of the identified target market.
- The intended distribution strategy remains appropriate.
- The product provides fair value to customers within that target market and should provide good outcomes to consumers.

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## **APPENDIX: WHAT HAPPENS IF?**

### **What happens if the stock market falls?**

Once in payment our Pension Annuity is unaffected by any future changes in interest rates or stock market values. The income payable is guaranteed to be paid for life.

### **What happens if my client runs out of money?**

Our Pension Annuity will deliver a guaranteed income for the life of our client and any chosen dependants. The payments are usually subject to income tax.

### **What happens if my client wants to safeguard all or part of the initial investment?**

Should your client die without having received the full value of their initial investment in income, the value protection option (selected at outset) will return a percentage (up to 100%) of the initial investment as a lump sum, less the income payments made up to the date of death.

Alternatively, a guarantee period option of up to 30 years can be selected at outset. This will ensure that, if your client dies within the guarantee period, the income will continue to be paid until the end of the selected period.

### **What happens if my client wants to ensure a dependant receives an income after their death?**

Our Pension Annuity can provide for a dependant (for example, a spouse or civil partner) for as long as they live. The dependant's income can be up to 100% of your client's income.

### **What happens if my client dies and hasn't included value protection, a guarantee period or dependant's income?**

Should your client die without including value protection, a guarantee period or dependant's income, income payments will cease.

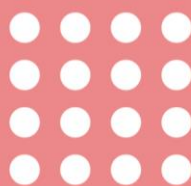
### **What happens if my client is concerned about the impact of inflation on their income?**

Inflation can affect your client's retirement income over time. They can choose to automatically increase the income they receive each year by either a set percentage (e.g. 3% or 5%) or by linking it to the Retail Price Index (RPI), or by selecting LPI (RPI with a cap).

### **What happens if my client has lifestyle issues or a medical condition?**

We underwrite each client based on their individual circumstances and tailor an income that is personalised to them. A range of personal, lifestyle and medical conditions can be taken into consideration within this assessment.

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### What happens if my client changes their mind?

Your client's application can be cancelled before the annuity is set up, and up to 30 days after receiving an 'Important information about your right to cancel' form, which we'll send with the policy documents. In the event of a cancellation, we'll return the funds to the original source (subject to their acceptance) or forward to another annuity provider.

### What happens if my client wants to stop the income payments or cash in the plan?

After the 30-day cancellation period it's not possible for your client to amend their income payments, cash in or surrender their Pension Annuity.



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## FOR MORE INFORMATION

Call: **0345 302 2287**

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

Please note your call may be monitored and recorded and call charges may apply.

Email: [support@wearejust.co.uk](mailto:support@wearejust.co.uk)

Or visit our website for further information: [justadviser.com](https://justadviser.com)