

**SECURE LIFETIME INCOME**

# SECURE LIFETIME INCOME OR PENSION ANNUITY



**This document outlines some of the differences between our Secure Lifetime Income (SLI) and a pension annuity. You can use it to help you decide which of your clients SLI might be most suitable for.**

SLI offers a guaranteed income for life that’s integrated into a platform to help you blend guaranteed income within a drawdown portfolio. Whereas pension annuities offer a standalone guaranteed income for life.

SLI is structured as a Trustee Investment Plan (TIP) within a trust-based, UK-registered pension scheme which provides your client with a guaranteed income for life. This structure makes the SLI plan suitable to be held as an asset of the SIPP. As such, SLI is not a ‘lifetime annuity’ as defined by the Finance Act 2004 and all income is paid into the SIPP.

The table below shows some of the differences between the types of client who would purchase SLI and a standalone pension annuity.

	Secure Lifetime Income (SLI) (on platform)	Pension annuity (off platform)
<b>Typical client</b>	Clients with retirement funds of between £100k and £500k are most likely to consider an integrated retirement income approach, such as blending a guaranteed income for life with investments within a SIPP.	Clients who don’t want to take any capital risk with their pension savings will generally select a standalone, off-platform guaranteed income for life.
<b>Income flexibility</b>	Clients who want access to a guaranteed income for life from their pension fund with the ability to control when income is actually withdrawn and subject to tax.	Clients who want to maximise the total amount of guaranteed lifetime income from all their accumulated funds without the need for any of the added flexibility SLI offers.
<b>Holistic Retirement Planning</b>	Clients who want all their pension assets managed on a single platform to ease planning, visibility and administration.	Clients who are comfortable with a standalone solution to provide their retirement income.
<b>Death Benefit Flexibility</b>	Clients who want a lump sum death benefit paid to their SIPP if they die within a set period, providing their beneficiaries with flexibility on how to receive the death benefit.	Clients who want to specify at outset the level of death benefit payable and its form without any of the flexibility offered by flexi-access drawdown.
<b>Cash-in value (for a set period)</b>	Clients who want to have the option of exchanging the guaranteed income for a lump sum payment if their circumstances change significantly.	Pension annuities cannot provide a cash-in value.
<b>Income tax planning</b>	Clients who want the flexibility to control their income by leaving SLI payments in their SIPP. This allows a degree of income tax planning as the funds are only subject to income tax when withdrawn.	Clients who don’t need the tax planning flexibility a SIPP offers. Income tax is normally deducted at source from every income payment at the client’s marginal rate.
<b>Advice requirement</b>	SLI requires financial advice – it’s only available through a financial adviser.	Pension annuities can generally be purchased with or without advice.

## SLI vs Pension Annuity – comparison at a glance

The table below compares some of the main SLI features with those of a pension annuity.

Features and benefits	Secure Lifetime Income (SLI) (on platform)	Pension annuity (off platform)
<b>Retirement strategy</b>	Provides clients with income security using SLI and flexibility as other assets remain invested within the SIPP creating a blended retirement strategy within a single SIPP.	Used as a standalone guaranteed income for life solution or as part of a non-integrated 'blended approach' with other pensions assets held elsewhere.
<b>Death benefit available</b>	<p>Yes – all plans have a death benefit available for a set period.</p> <p>The death benefit for all clients is initially set to 75% of the purchase price. The death benefit then reduces by two times the income payments until it runs down to zero.</p> <p>Payment of the death benefit amount is made into the SIPP, providing flexibility to beneficiaries about how to take the benefit from the SIPP using flexi-access drawdown rules.</p>	<p>Yes – the following death benefit options are normally available.</p> <ul style="list-style-type: none"> <li>• Value Protection Lump Sum. This option can protect up to 100% of your client's pension fund (after any tax-free lump sum and taxable lump sum). When your client dies, the protected amount less any payments already made are paid to your client's beneficiaries as a lump sum.</li> <li>• Dependants income. A percentage (up to 100%) of your client's income will continue being paid to their dependent.</li> <li>• Guarantee period. If your client dies during this set period (up to 30 years), their income will continue being paid to their beneficiaries.</li> </ul>
<b>Death benefit flexibility</b>	The SLI death benefit is paid as a lump sum to your client's SIPP. This enables your client's beneficiaries to choose how they wish to receive the total death benefits payable from the SIPP.	As the death benefit option is chosen by the annuitant its not normally possible for the beneficiary to choose how they wish to receive the benefit.
<b>Cash-in value</b>	Yes – there's a cash lump sum available for a set period which, if taken, is paid as a lump sum into your client's SIPP.	Not applicable.

### How to get a quote and purchase SLI

To obtain an SLI quote, simply log on to a SIPP platform which provides access to SLI (such as Novia), select the relevant SIPP customer account and select the Guaranteed Income Quote option to access the Quote Portal.

An interactive online underwriting journey is used to collect personal, lifestyle and medical information to provide an individually underwritten income rate to clients.

Once submitted, you will then be able to see a personalised SLI rate and comparison quotes for pension annuities with 5 year and 10 year guarantee periods on the screen. If, with your advice, your client wants to proceed, you can then apply for Secure Lifetime Income on behalf of your client via the Portal.

For more detailed information on SLI benefits you can read our **Secure Lifetime Income Key Features Document**, **Secure Lifetime Income Terms and Conditions** and **Secure Lifetime Income Adviser Guide**.

## FOR MORE INFORMATION

Call: **01737 827915**

Lines are open Monday to Friday, 9.00am to 5.00pm

Email: **FI.Direct@wearejust.co.uk**

Or visit our website for further information: **justadviser.com**

**Please contact us if you would like this document in an alternative format.**

Just is a trading name of Just Retirement Limited. Registered Office: Vale House, Roebuck Close, Bancroft Road, Reigate, Surrey, RH2 7RU. Registered in England and Wales number 05017193. Just Retirement Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Please note your call may be monitored and recorded and call charges may apply.

