

LV= Fixed Term Annuity (Protected Retirement Plan) Plan Conditions

Welcome to LV=, and thank you for choosing to invest in our LV= Fixed Term Annuity.

Your **Plan** consists of these **Plan Conditions** and your **Plan Schedule**. These, together with any documents we send you confirming any changes to your **Plan**, form a contract between you, NM Pensions Trustees Limited and Liverpool Victoria Financial Services Limited.

Please read 'Your Guide to how we manage our with profits business - Fixed Term Annuity' document if you would like to take out the **Plan**.

You should also have already received the Key Features of the Fixed Term Annuity which gives details of how your **Plan** works.

These are important documents so please keep them in a safe place.

This contract is signed on behalf of Liverpool Victoria Financial Services Limited on the **Plan Schedule**. The **Plan** will start on the date stated in your **Plan Schedule**.

You can get this and other documents from us in Braille, large print or on audio, by contacting us or your **Financial Intermediary**.

How we use your personal information

Find out how we use your personal information, and what rights you have by visiting [LV.com/data-protection/life](https://www.lv.com/data-protection/life)

This includes who we are, how long we hold your information, what we do with it and who we share it with.

Please ensure that you advise anyone else whose personal details are attached to the **Plan** where they can find this information.

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Definitions

This section explains what we mean when we use the words listed below in the **plan schedule**, these **plan conditions**, and any documents we send you to confirm any changes to the plan.

We explain them because they may have other meanings in every day use. We have highlighted these words in bold so you know when they apply (other than personal terms such as 'you' and 'we').

'**we**', '**us**', or '**our**' – means Liverpool Victoria Financial Services Limited.

'**you**' – means the person named in your **plan schedule** as the Member. The Member will be paid the income from this **plan** for the **plan** term, or until they die if earlier.

'**drawdown pension**' – means a pension plan or arrangement where you've already started taking pension benefits in the form of a tax free cash lump sum and/or a regular income paid directly from the pension fund.

'**Financial Intermediary**' – means a firm or individual authorised to provide advice or guidance on your behalf and who has signed our terms of business.

These **Plan Conditions** assume that normally you have taken out the **Plan** using the services of a **Intermediary**.

'**Financial Adviser**' – means a firm or individual authorised to provide advice on your behalf and who has signed our terms of business.

These **Plan Conditions** assume that you have taken out the **Plan** using the services of a **Financial Adviser**.

'**Flexi-access drawdown**' – means you can take any amount on a regular basis from your **plan**. This means you could take all the value across the plan term, or take less and have a **guaranteed maturity value** at the end.

If you choose to take an income from your plan, the amount of tax relievable pension contributions you, or someone on your behalf, can make to a money purchase pension without incurring a tax charge (known as your Money Purchase Annual Allowance (MPAA)), will reduce from £60,000 a year to £10,000 a year.

When your **plan** starts and you're taking an income, you have 91 days to tell all the other Money purchase pension schemes you are contributing, or expect to contribute to, that you've flexibly accessed your pension fund and are subject to the 'money purchase annual allowance rules'

'**guaranteed maturity value**' – means the fund value available at the **maturity date** if you are still alive at the **maturity date**. You can use this to transfer to another registered pension scheme, buy an annuity, invest in another Fixed Term Annuity or take a taxable cash lump sum.

'**income review date**' – means each 12-month anniversary from the **income start date** of the **plan**.

'**income start date**' – means the date we can start paying your income. If you have chosen to be paid in arrears the date you receive your income will actually be after your income start date. This will be shown on your **Plan schedule**.

'**LV=**' – means Liverpool Victoria Financial Services Limited.

'**LV Personal Pension Scheme**' – means our personal pension scheme, which is a UK registered pension scheme.

'**maturity date**' – means the chosen **plan** end date.

'**Mutual Bonus**' – means a bonus that may be payable when your Plan ends. It's designed to reward eligible with-profits

members for their support of the development and growth of our business. You can find out more about this in our booklet 'Your Guide to how we manage our with profits business - Fixed Term Annuity documents'.

'**Minimal Income**' – means, if you have asked for the **Plan** to be set up to provide a **guaranteed maturity value** only, a nominal income of £1 per year payable in arrears that will be held back by LV= on your behalf until the **Plan** ends.

'**nominated beneficiary**' – means the person you would like to be paid any benefits from your plan under **plan protection** or **value protection** if you die before the **maturity date**. If you've chosen a **nominated beneficiary** in the application form you can change this at any time before you die.

'**pension fund**' – means the fund used to set up the **plan**.

'**plan**' – means the Fixed Term Annuity that the **trustees** have invested your **pension fund** in.

'**Plan Schedule**' – means a summary of the **Plan** you have taken out once your **Plan** has been set up.

'**Plan Conditions**' – means the product conditions of your **Plan**, contained in this document.

'**plan protection**' – means the plan will continue to be payable even if you die before the **maturity date**. If the **plan** includes this benefit we show this in your **plan schedule**.

'**Scheme Administrator**' – means Liverpool Victoria Financial Services Limited

'**start date**' – means the date when the **plan** starts, which we show in your **plan schedule**.

'**tax free cash payment**' – means the tax free cash (also known as pension commencement lump sum) you may have chosen to take before the **plan** starts. If this applies we show this in your **plan schedule**.

'**transfer**' – means you transfer your **pension fund**, from which you haven't yet taken any benefits, to the **LV Personal Pension Scheme**.

'**trustees**' – means NM Pensions Trustees Limited, who are the trustees of the **LV Personal Pension Scheme**.

'**value protection**' – means the lump sum to protect your original **pension fund** which will be payable if you, die before the **maturity date**. If the **plan** includes this benefit we show this in your **plan schedule**.

What is the LV= Fixed Term Annuity?

The Fixed Term Annuity is a with-profits plan designed to provide you with a selected income, if chosen, for a selected term.

The income can either stay the same, or increase by a selected amount each year. If you survive until the **maturity date**, a **guaranteed maturity value** will be paid, if chosen.

The Fixed Term Annuity is a with-profits policy as it is eligible to receive a **mutual bonus**, if declared, that reflects the returns it generates for our with-profits fund. For more details see our 'Your guide to how we manage our with profits – Fixed Term Annuity' document.

The **plan** is set up as a Trustee Investment Plan as an investment of a **drawdown pension**. This means that you transfer your **pension fund** to the **LV Personal Pension Scheme**, and you immediately enter **drawdown pension**, if you aren't already in it. The **scheme administrator** will then instruct the **trustees** to invest your **pension fund** in a LV= Fixed Term Annuity.

The **plan** provides benefits allowed under the rules of the **LV Personal Pension Scheme**. If at any time there's a conflict between these **plan conditions** and the rules of the **LV Personal Pension Scheme**, the **scheme administrator** will refer to the rules when making any decisions. If you want a copy of these rules, please let us know.

Section A – Money paid whilst you are alive

This section tells you what benefits will be paid to you whilst you are alive during the term of the **plan**, depending on what benefits you chose. We show you the benefits you've chosen in your **plan schedule**.

A1 – Lump sums paid before the plan starts

If you've not previously taken any benefits from your **pension fund**, you can choose to take a **tax free cash payment** before the **plan** is set up. We show the amount paid to you in your **plan schedule**.

When you take tax free cash from this, or any other pension plan, your maximum tax free cash will be limited to your available lump sum allowance and lump sum and death benefit allowance.

We'll ask you to confirm that the total value of any tax free cash you have already taken and any tax free cash that you are about to take does not exceed these Allowances.

A2 – Regular income paid during the plan term

If you chose a regular income, this will be paid from your **income start date** shown in your **plan schedule**. This will be paid for the rest of the **plan** term, unless you die before the end of the term. In this case, no further benefit will be paid, unless you've chosen **plan protection** as a death benefit as detailed in Section B.

Your **plan schedule** will also confirm whether payments will be made:

- every month, or
- every three months, or
- every six months, or
- once a year.

Your income will either remain level, or will increase at the **income review date** by a selected amount, for example 5%. This is shown in your **plan schedule**.

All regular income will be paid on the payment due date, or the working day immediately before this. Your **plan schedule** confirms when your income starts being paid and when the final income payment is payable, assuming you survive until the **maturity date**.

If you die before the **maturity date** we'll pay the last regular income payment on the payment date that falls on or before the day you die. However, regular income may continue to be paid after you die, depending on when you die and the benefits shown in your **plan schedule**, as described in Section B.

A3 – Minimal income paid during the plan term

If you don't chose a regular income, we will pay you a **minimal income** of £1 each year, payable in arrears. This will be payable from your **income start date** shown in your plan schedule, but will be held by us on your behalf in a nil-interest bearing account until the **plan** ends. Normally it will be paid for the rest of the **plan** term, unless you die before the end of

the term. In this case, no further **minimal income** will be paid, unless you've chosen **plan protection** as a death benefit detailed in Section B.

You also can ask us at any time to pay you the **minimal income**.

If you die before the **maturity date** we'll pay the last **minimal income** payment on the payment date that falls on or before the day you die. However, **minimal income** may continue to be paid after you die, depending on when you die and the benefits shown in your plan schedule, as described in Section B.

A4 – Lump sums paid at the end of the plan

If you survive until the **maturity date** the chosen **guaranteed maturity value** will be paid (which may be zero if you choose this amount). This will be payable alongside any **minimal income** and **mutual bonus** accrued over the term of the plan. You can use this to transfer to another registered pension scheme, buy an annuity, invest in another Fixed Term Annuity, or take this amount as income instead (subject to income tax). We show the **guaranteed maturity value** to be paid in your plan schedule and will inform you of any **minimal income** and/or **mutual bonus** that is payable by the **maturity date**.

A5 – Mutual Bonus paid at the end of the plan

This is a bonus that may be payable when your Plan ends. It's designed to reward eligible with-profits members for their support of the development and growth of our business. You can find out more about this in our booklet 'Your Guide to how we manage our with profits business - Fixed Term Annuity' document.

Section B – Money paid after you die

If you've not chosen a death benefit and you die before the **maturity date**, then all income will stop and no further guaranteed benefits will be paid from the **plan**, including the **guaranteed maturity value**. However, we will pay any **minimal income** and/or **mutual bonus** that has been accrued (if any) at this point to your beneficiary.

Sections B1 and B2 explain what happens if you've chosen **value protection** or **plan protection**. Section B3 explains who the **scheme administrator** will pay any death benefits to and how they will be paid.

If you die before age 75, any death benefits can normally be 'paid tax-free'.

If you die at age 75 or older, any death benefits will be taxable at the beneficiary's personal rate of income tax.

B1 – If you've chosen value protection

This section only applies if the **plan** includes **value protection** and you die before the **maturity date**. **Value protection** allows you to protect up to 100% of your original **pension fund** used to buy the plan even if you die before the **maturity date**. If **value protection** has been included a further benefit may be payable from the **plan** after you die, depending on how much income has been paid out. If this benefit has been included in the **plan** the amount of **value protection** is shown in your **plan schedule**.

Benefits will be paid out as explained in Section B3.

If the amount of income already paid to you when you die is greater than or equal to the chosen **value protection** amount then only the mutual bonus accrued (if any) will be paid out.

For example

Brenda decides to use her £50,000 pension fund to buy an LV= Fixed Term Annuity with a ten year term. Brenda decides to include 100% value protection.

Unfortunately, four years after her income start date Brenda dies, having been paid a total of £15,000 of income before tax.

The amount payable is the original value protection amount of £50,000 less the income of £15,000, which equals £35,000.

The lump sum of £35,000, together with any mutual bonus accrued (if any), will be paid to Brenda's **beneficiary**, less tax (depending on Brenda's age when she died).

B2 – If you've chosen plan protection

Plan Protection will make sure that, if you die during the plan term, the income and/or Guaranteed Maturity Value (GMV) will continue to be paid for the rest of the plan term.

For example, on your death we'd continue to pay 100% of any income for the plan term and 100% of any GMV when the plan ends.

The percentage of protection is fixed at 100% when the plan starts and cannot be changed later on. For plans with both income and GMV, the selected percentage will apply to both elements of the plan (for example, if you protect your GMV, you will also protect your income). For nil GMV plans only income payments are protected. For nil GMV plans only GMV and **minimal income**. In all cases, any **mutual bonus** accrued (if any) will be protected and will continue to accrue whilst the plan continues.

Any income payments and/or guaranteed maturity value and **mutual bonus** will continue to be paid to your **beneficiary**.

If your **beneficiary** does not want or is unable to continue with the plan (for instance, where there are multiple beneficiaries), they can utilise the conversion option and end the plan immediately, thereby swapping the remaining income and/or Guaranteed Maturity Value and mutual bonus accrued for a lump sum.

For example

Rosie invests £100,000 into a Fixed Term Annuity (after tax-free cash). Her plan has a ten year term and includes plan protection. It pays an income of £11,000 a year and has no maturity value.

Rosie dies after 8 years. Rosie's **beneficiary** can choose to leave the plan to pay income to the end of the term. If they do, the additional income paid will be £22,000. As the plan had no maturity value, only the mutual bonus accrued (if any) is paid at the end of the term.

Alternatively, Rosie's **beneficiary** may choose to end the plan early and accept a transfer value based on plus mutual bonus accrued (if any) the current value of remaining income payments. This lump sum could be paid directly to the **beneficiary** as income or used to buy an alternative drawdown or annuity product.

We explain how we calculate the transfer value in Condition C12.

B3 – Who the death benefits will be paid to

If you die before the maturity date the **scheme administrator** will pay any death benefits in line with the options you've chosen. The scheme administrator will use their discretion when considering who should receive any **value protection** or **plan protection** benefit. They will take into account your nominated beneficiary details, but aren't bound by this

Section C – General conditions

This section explains the general conditions that apply to your **plan**.

C1 – Who owns the plan

The **trustees** own the **plan**, with the **scheme administrator** paying the **plan** benefits in line with the rules of the **LV Personal Pension Scheme** and these **plan conditions**. The **scheme administrator** will pay the benefits as directed by you in your application form, or using their discretion, as scheme administrator of the **LV Personal Pension Scheme**, where applicable.'

C2 – Charges built into the plan

We take off a charge at the start of the **plan** to cover the set up costs, as well as a yearly administration charge. We take these into account before we calculate your income and **guaranteed maturity value**.

This means we won't apply further charges to your **plan**, unless legislation or a Court Order requires us to change the **plan** in any way.

C3 – How the payments are taxed

Tax is taken off your income, and your **beneficiary's income** where this is paid, under the Pay As You Earn (PAYE) system. This is similar to tax on employment income. We will deduct tax according to your tax code on your P45 and pass the tax on to HM Revenue & Customs. If we don't have all the tax information needed when your income starts you'll be taxed on the emergency code (month 1) basis to start with.

Any income or lump sum paid out by us as a result of your death will be paid after tax (if applicable).

If you die before age 75, both regular income and lump sums are normally payable tax-free.

C4 – Other deductions which may reduce the income paid

From time to time there may be a need to pay a tax, duty or other payment from the **plan** due to a law, order or regulation. If this needs to be done this we'll let you know as soon as possible.

C5 – When your plan starts

Your **plan** will start on the day we receive your application form. However we will only be able to begin paying your income when we have received the funds from your previous pension scheme. We call this your **income start date**. Your **start date** and **income start date** will be shown on your **plan schedule**.

C6 – When we can change your plan before your income start date

We've designed your **plan** with the aim that your chosen benefits won't change during the **plan** term.

We show you how much income you might get in your personal quote, which is guaranteed for 30 days.

If we receive your application and funds from your previous pension scheme after the quote guarantee date, we cannot guarantee that the rate will stay the same.

If the rate does change, we'll send your financial intermediary a new quote showing how this will affect your **plan**. You have three days to let us know if you no longer want to proceed. At the end of this time, if we haven't heard from you, we'll set up your **plan** on this basis.

C7 – When we can change your plan after your income start date

We work out your benefits based on our current understanding of:

- the way your income is taxed and
- the factors that we're legally able to take into account.

We'll only change your benefits after the **income start date** of your **plan** for the following reasons:

- changes to legislation that affect the way your **plan** is taxed
- changes to legislation that affect the factors we can legally use
- a decision by a UK court or the European Court of Justice that affect the factors that we can take account of to comply with a court order, for example if you get divorced

These are the only times when we can change your benefits.

We can't change your benefits for any of the following reasons:

- to increase our profits
- to make up for any losses we've made in the past
- if the change would mean that it became an unauthorised payment under pension legislation

If we need to change your benefits we'll let you know at least 60 days before we change them.

C8 – Overpayments

We'll do our very best to make sure the **plan** is set up correctly and you're paid the correct regular income, and **tax free cash** payment if applicable. However, mistakes can happen.

If we make a mistake and pay out too much money we'll arrange to change the amount paid to you and claim back any money that we mistakenly paid out. If we do this we'll let you know as soon as possible and before any money is claimed back.

Also, if we pay out any regular income after it should have stopped, for example after you die, we'll arrange to claim back any money that we mistakenly paid out. Again, if we do this we'll let you or your legal representative know as soon as possible.

Of course if we pay out too little by mistake we'll correct this as soon as possible after we find out about the mistake.

C9 – Evidence we may ask for from you or your beneficiary

We may need to see evidence of name and age from you such as a passport, before we pay money out from the **plan** or make any changes to the **plan**.

We recognise that these are valuable documents that other people may need to see at the same time. We'll look after the documents carefully, and return them quickly.

From time to time we may also ask for evidence that we hold your correct details, or the correct details of whoever is receiving the income. If you die before the **maturity date** we'll ask for evidence of the date of death.

C10 – Cancelling the plan

After your 30 day cancellation period has ended you cannot cancel the **plan** or cash it in at any time. You can find out more about the cancellation process in the Key Features document, a copy of which is available on request at any time.

C11 – Transferring the plan to another registered pension scheme

You have the option to transfer the **plan** to another registered pension scheme at any time. If you do this another pension scheme accepts the **plan** from the trustees as an investment in their scheme. If this happens we'll pay any benefits of the **plan** to the trustees of the new pension scheme, who will become the new owner of the **plan**. If you wish to consider transferring the **plan** you should speak to your **financial adviser**. Notice of any transfer should be given to us at our registered office address

C12 – Transferring the plan when your circumstances change

You can end your plan at any time, for any reason, giving you the flexibility to change your income in retirement, as your circumstances change. This conversion option is automatically included in your plan at no extra charge.

If you choose to exercise the conversion option, you can use the transfer value to:

- pay you a final income payment, subject to income tax
- buy an annuity
- transfer to another pension scheme, or
- invest in another LV= retirement product

We recommend you speak to your financial intermediary before you decide what to do.

When you ask us to convert your **plan** we'll pay the current value of your **guaranteed maturity value** and the income payments we would have paid you if you had continued the **plan** until the **maturity date**. We will then add any **mutual bonus** accrued (if any) to this value.

To calculate the current value we look at what the investments we bought when you took out the **plan** can now be sold at. If the price has gone down we take the difference away from the **guaranteed maturity value** we would have paid out had you waited until the **maturity date**. If the price has gone up we will add the difference to the **guaranteed maturity value** we would have paid.

We won't apply any fee or penalty to convert your **plan**.

Please note the amount we pay when you convert your **plan** may be a lot less than the **guaranteed maturity value** or in some cases the original investment, that you would have received if you had kept your **plan** until the **maturity date**.

C13 – Currency

Every payment into or out of your **plan** must be to a UK bank account and in UK currency, which is currently pounds sterling

C14 – The law that applies to the plan

The **Fixed Term Annuity** and its terms and conditions are governed by the laws of England and Wales. In the **unlikely** event of any legal disagreement, it would be settled exclusively by the courts of England and Wales. We'll always communicate in English.

C15 – How to make a complaint

If you have a complaint about any part of our service it's important that we know about it so we can help put things right. You can let us know by calling us on **0800 032 2990** (for textphone, dial 18001 first). Alternatively you can email us at Annuity.Servicing@LV.com or write to us at:

LV=
Savings & Retirements
PO Box 343
Wymondham
NR18 8HT

Your complaint will be dealt with promptly and fairly and in line with the Financial Conduct Authority's requirements. If you want more information on how we handle complaints, please contact us, or visit [LV.com/complaints](https://www.lv.com/complaints)

We hope that we will be able to resolve any complaint that you have. If you're unhappy with the outcome of your complaint, the Financial Ombudsman Service may be able to help you free of charge.

You'll need to contact them within six months of receiving our final response letter. Their website is [financial-ombudsman.org.uk](https://www.financial-ombudsman.org.uk) which includes more information about the service, including details of the various ways they can be contacted. If you make a complaint it won't affect your right to take legal action.

If you'd like us to send you this document or any future correspondence in another format, such as Braille or large print, please just let us know.

Liverpool Victoria Financial Services Limited, Tilehouse Street, Hitchin SG5 2DX.

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