

i2Live Annuity

Key features



This is an important document.
Please read it alongside your personal illustration and the Customer Fund Guide
and keep it safe for future reference.



Sun Life Financial
of Canada

About this document

The Financial Conduct Authority is a financial services regulator. It requires us, Sun Life Assurance Company of Canada (U.K.) Limited, part of Sun Life Financial of Canada, to give you this important information to help you decide whether *i2Live* 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.

Choosing a financial product is an important decision, so you should always seek professional advice from a financial adviser. Before selecting an *i2Live* Annuity, you need to know what the plan is, how it works, what the risks are, and what it can do for you. That's where this document comes in, providing the information to help you and your financial adviser make an informed choice.

This document is intended to be a summary. Further details can be found in the Terms and Conditions available from your financial adviser, or from us.

Terms marked in *italics* are explained further in the glossary.

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Aims, Commitments, Risks

i2Live Annuity

Its aims

i2Live Annuity is an *annuity* that:

- Aims to provide you with a flexible income for life.
- Offers an *Income Guarantee Option* to ensure your income never falls below a certain level.
- Lets you choose how your pension fund is invested.
- Gives you a choice of death benefit options.

Your commitment

- This type of product is designed for customers with combined pension assets (from all sources) in excess of £100,000.
- To take a suitable income within the HM Revenue & Customs (HMRC) limits.
- To take any tax-free cash that you are entitled to when you start i2Live Annuity, you cannot take it later.
- To regularly monitor your plan and review your income requirements annually with your financial adviser.
- **Please note that from 31 December 2012 financial advisers can no longer receive commission from product providers for advice given after that date. Therefore you may have to pay your adviser directly for advice given on your plan after 31 December 2012.**

Risk factors

- The value of the fund(s) you invest in is not guaranteed and your investment can fall as well as rise.
- The level of income you can take from your plan is not guaranteed and depends on the value of your investment fund(s). However a level of protection is provided if you select the *Income Guarantee Option* (see page 8).
- The value of your fund(s) will be eroded if the income you take, plus our charges, exceed the investment growth of your fund(s). This could result in a lower income in the future.
- Different investment funds come with different levels of risk. Before making your fund selection, you should speak to your financial adviser and read our Customer Fund Guide carefully. This contains details of the fund options and their risks. A copy is available from your financial adviser or from us.
- Inflation will reduce the real value of your income.
- Your pension income and fund value may be lower than that shown on your personal illustration. This could be due to lower than assumed investment growth and *annuity rates*, higher than assumed charges and/or changes in tax rules and legislation.
- When *transferring* a pension into i2 an *Live Annuity*, there's no guarantee you will achieve a higher plan value or income than you may have received with your previous plan. You may also lose other rights, such as guaranteed benefits.
- If you cancel a payment into an i2Live Annuity within 30 days, you may receive less than you paid in (see 'Can I change my mind?' on page 11).
- Once you have moved your fund into i2an *Live Annuity*, you cannot convert it back again. However you may be able to switch to another *annuity* with another provider if you wish (see 'Can I transfer my funds out of i2Live Annuity to another annuity?' on page 11).

Your questions answered

About i2Live Annuity

What is i2Live Annuity?

- i2Live Annuity is a flexible *annuity*. It allows you to take a flexible income in retirement while staying in control of your pension fund.

Who is it aimed at?

- i2Live Annuity is designed for customers who want to stay invested in funds of their choice and have the opportunity to take a flexible income. It may not be suitable for those with smaller pension funds with no other assets or other sources of income.
- In order to apply for i2Live Annuity you must already hold an i2Live plan.

What are the age limits?

- You must be aged 55 or over.
- You may be able to take out i2Live Annuity earlier if you had a lower retirement age before 6 April 2006, or if you qualify for early retirement on the grounds of ill health.

What does i2Live Annuity allow me to do?

With i2Live Annuity you can:

- Take up to 25% of your pension fund as a *tax-free lump sum* when you buy i2Live Annuity from *uncrystallised funds*;
- Choose the level of income you want to take and when, provided it's within the HM Revenue & Customs (HMRC) limits;
- Add the *Income Guarantee Option* to ensure your income doesn't fall below a minimum level (see page 8);
- Choose from a range of investment funds, covering all major asset classes, and switch between funds as often as you like and free of charge;
- Leave benefits for your loved ones after you die (see 'Death benefits' on page 9).

What are the plan charges?

- The charges that will apply to your plan will be shown on your personal illustration and will include:
 - an annual investment fund charge which varies depending on the fund(s) you choose;
 - an annual charge for the *Income Guarantee Option*, if selected;
 - any ongoing commission charges for advice given prior to 31 December 2012 which will equal the amount of commission you have agreed will be paid to your financial adviser.



Transfers to i2Live Annuity

What payments will i2Live Annuity accept?

- You can *transfer* funds into i2Live Annuity from any UK *registered pension scheme*.
- We accept conversions from i2Live Drawdown and i2Live Accumulator.

Investment choices

How will my plan be invested?

- We will use your entire fund value to buy *units* in the investment fund(s) you choose. Each *unit* price is based on the value of the investment fund(s).
- This means the value of your plan depends on how many *units* you have and the performance of the investment fund(s) you have chosen.
- As *unit* prices rise or fall, so will the value of your plan. *Unit* prices cannot be guaranteed.

What investment choices are available?

- A range of investment funds are available covering all major asset classes. Active and Passive funds are available.
- If you haven't selected the *Income Guarantee Option* (see page 8), you are free to invest in your choice of funds without any restriction. However restrictions apply when the *Income Guarantee Option* is selected (see 'What conditions currently apply to the Income Guarantee Option?' on page 8).
- The fund options and their risks can be found in our Customer Fund Guide, available from your financial adviser or from us.

Will you charge me to switch between investment funds?

- No. You can switch between investment funds as often as you like, free of charge.

How will I know how my investments are performing?

- We will send you a personal statement each year.
- You can call us for an update. Our contact details are detailed in the 'How to contact us' section.
- Your financial adviser should be able to provide an up to date valuation.

Taking your benefits

How much income can I take?

- You choose how much income you want to take each year within the HMRC limits.
- Your limits are shown on your personal illustration. The maximum limit is calculated as 120% of the income you could get from a *conventional annuity* and the minimum limit is 50% of the income you could get from a *conventional annuity*.
- These limits are reviewed every three years and may fall or rise due to factors such as your age, and the value of your i2Live Annuity fund.
- If you select the *Income Guarantee Option*, you cannot take income greater than the *maximum supportable income* (or the *guaranteed minimum income* if higher). See page 8 for more on this.
- If you select the joint life option or dependant's guarantee period option, this will reduce the amount of income you can take. See 'Death benefits' on page 9 for more on this.
- If you don't take income up to your maximum limit in regular payments, you can take extra one-off payments.

Can I choose how I take my income?

- Yes. You can either select a level income or an income that increases each year at a fixed rate or in line with the Retail Prices Index.
- You can take your income monthly, quarterly, half-yearly or annually.

Can I ensure my income never falls below a certain amount?

- Yes, by selecting the *Income Guarantee Option* (see page 8).

How often will you review my income levels?

- We will automatically review your HMRC income limits every three years. We will review your *maximum supportable income* every year.
- We will recalculate your income limit if a *pension sharing order* reduces your fund.
- We will send you an annual personal statement with your income limits detailed on it. You should review your income requirements each year with your financial adviser.



The Income Guarantee Option

What is the Income Guarantee Option?

- The *Income Guarantee Option* is an optional feature which you can add to your plan at an extra cost (shown on your personal illustration).
- It provides a guarantee that your income will never fall below a minimum level, provided the conditions are met (see 'What conditions currently apply to the Income Guarantee Option?' further on this page).

When would I benefit from having the Income Guarantee Option?

- The *Income Guarantee Option* will give you peace of mind against stock market volatility and protect your income in the event of poor investment performance.
- If the level of income you can take from your fund drops, perhaps as a result of poor investment performance, and you have selected the *Income Guarantee Option*, it will kick in and pay a *guaranteed minimum income* until your fund recovers.
- If the value of the fund covered by the *Income Guarantee Option* ever reduces to zero, we will continue paying you the *guaranteed minimum income*.
- This gives you the absolute certainty of a minimum level of income as long as you maintain the *Income Guarantee Option*.
- You may wish to keep the *Income Guarantee Option* in place continuously, for all-round peace of mind, or you can choose to remove it if markets show signs of recovery (see 'Can I remove the Income Guarantee Option once it is in force?' further on this page).

What is the minimum income I would get?

- The minimum level of income the *Income Guarantee Option* would provide (your *guaranteed minimum income*) is shown on your personal illustration and is calculated as 75% of your initial *maximum supportable income*.
- We will review this *guaranteed minimum income* level every five years and it may increase at that time. It will never reduce providing the conditions of the guarantee are met (see 'What conditions currently apply to the Income Guarantee Option?' further on this page).

How do I add the Income Guarantee Option to my plan?

- You can add the *Income Guarantee Option* at any time from age 60 either when you first apply, or at a later date which will then be based on the terms applicable at that time by simply contacting your financial adviser or our Service Team.
- You can apply it to all or just part of your fund provided that it is at least £10,000.
- If you are converting funds from i2Live Drawdown to i2Live Annuity, the *Income Guarantee Option* will automatically continue in i2Live Annuity.

Can I remove the Income Guarantee Option once it is in force?

- Yes. You can remove the *Income Guarantee Option* at any time by contacting your financial adviser or our Service Team.
- You can re-start it again after at least one year. This will be on the terms that are applicable at the time it is restarted (available from our Service Team).

What conditions currently apply to the Income Guarantee Option?

- The *guaranteed minimum income* may only reduce if:
 - the income you take exceeds the *maximum supportable income* (or the *guaranteed minimum income* if greater) in any year;
 - the value of your fund reduces as a result of a *pension sharing order*.
- When the *Income Guarantee Option* is selected, there will be some restrictions on the investment options available:
 - You cannot invest more than 60% of the fund covered by the *Income Guarantee Option* in equity investments.
 - Please refer to the Customer Fund Guide for more on this including a list of funds available for use with the *Income Guarantee Option*. This document is available from your financial adviser or from us on request.

Death benefits

What happens if I die while invested in i2Live Annuity?

i2Live Annuity offers a choice of death benefits which you must select from outset to ensure your beneficiaries are provided for in the event of your death.

The following options are available each time you make a payment into i2Live Annuity, they cannot be added or removed at a later date:

- choose no death benefits (see 'What happens to my fund if I do not select any death benefits?' on page 9); or
- select the joint life option; or
- select a dependant's guarantee period option of either five or ten years; or
- choose both the joint life option and the dependant's guarantee period option.

These options are explained below.

What is the joint life option?

- This option gives your *dependant* an income after your death.
- You decide what percentage of your fund will be used to provide that income.
- The actual income payable will be based on your remaining fund value when you die.
- Your *dependant* will have the same income options and investment choices as you had.
- If your *dependant* is a child, the income will be paid until they are age 23.
- Your maximum income limit will be lower if you select this option.

What is the dependant's guarantee period option?

- This option gives your *dependant* (or another *beneficiary*) an income for the remainder of the specified guarantee period, should you die during that period.

- This period can be either five or ten years.
- They will receive the maximum income that could have been payable to you during the guarantee period, based on your fund value and HMRC limits.
- Your maximum income limit will be lower if you select this option.

What happens if I select both the joint life option and the dependant's guarantee period?

- If you select both options and die within the guarantee period, your nominated *dependant* or *beneficiary* will receive an income as described under the dependant's guarantee period option.
- Once the guarantee period has ended, the remaining value of your i2Live Annuity will be adjusted based on the joint life percentage you originally selected and the *dependant* or *beneficiary* will start to receive an income as described under the joint life option.
- When both options are selected, the *dependant* or *beneficiary* must be the same person.
- You cannot select both options if the *dependant* is under age 23.
- Your maximum income limit will be lower if you select both options.

What happens if I have added the Income Guarantee Option to my plan?

- If the *Income Guarantee Option* is selected, it will continue on your death and your *dependant's* income will be limited to the *maximum supportable income*. However it can be removed after your death if your *dependant/beneficiary* wants to take the HMRC maximum income limit instead.

What happens to my fund if I do not select any death benefits?

- If you die while invested in i2Live Annuity and have not selected any death benefits, the remaining value of your fund will be shared between existing i2Live Annuity policyholders in the form of *mortality credits*.

Does this mean I could also benefit from mortality credits while in i2Live Annuity?

- Yes. All i2Live Annuity policyholders are entitled to receive *mortality credits*.
- They are automatically allocated to the accounts of existing i2Live Annuity policyholders at the end of each policy year in the form of additional *units*.
- The value of *mortality credits* is not guaranteed and the amount you receive is dependent on factors such as your age, fund value and the death benefits you have selected.

Tax

What about tax?

- How you are taxed depends on your individual circumstances.
- We have based the information in this document on our understanding of current law and HM Revenue & Customs (HMRC) practice. This may change in the future.

Tax on your investment funds

- Your payments are invested in funds on which no UK taxes are paid on investment income and capital gains.

Tax when you take benefits

- The income you take from i2Live Annuity will be taxed as earned income. Tax will be deducted from the income, based on your tax code.
- If you are a non-taxpayer or overseas taxpayer you may be able to arrange with HMRC for your income to be paid without a tax deduction.
- Normally, the income continuing to a dependant or beneficiary through the joint life option or dependant's guarantee period option will be taxed in the same way as your income, using the dependant's/beneficiary's tax code. Since 06/04/2015, the first life dies if you die before age 75, the annuity payable to the dependant or beneficiary will be free of tax. In the event of death after age 75, any income payments from an annuity will be taxed on the same basis as the dependant's/beneficiary's earned income.

How to apply

How do I apply for i2Live Annuity?

- We can only accept applications for this product through a financial adviser.
- In order to apply you must already have an i2Live plan.

How much will the financial advice cost?

- Your financial adviser will let you know about how you will pay for the cost of advice.
- You can also find information about this in your personal illustration.
- **From 31 December 2012 financial advisers can no longer receive commission from product providers for advice given after that date.**



Changing your mind

Can I change my mind?

- Yes. You have 30 days from the date you receive your Policy Schedule and Terms and Conditions in which to change your mind.
- Cancellations should be made in writing and sent to our Service Team. Our address can be found on the back page.
- If you have received a *pension commencement lump sum* or any income payments, you will need to return these payments to us in order to cancel.
- The refund of a payment will be subject to a deduction of any fall in the value of the investment when notice of cancellation is received by us.
- For *transfer payments*, you will need to contact the pension scheme you're transferring from and ask them to accept the *transfer payment* back. We will return the *transfer payment* once we receive their written confirmation. If they do not accept the *transfer payment* back, you must arrange for another pension provider to take the *transfer*.
- Your payments will remain invested in the funds you have chosen until we can make a repayment unless you ask us to change the investment funds.

Can I transfer my funds out of i2Live Annuity to another annuity?

- Yes. You have the option to *transfer* to another *annuity* at any time with no penalty. However, a request to transfer-out is subject to underwriting. If you meet our definition of an *impaired life*, your request will be declined. This is to protect the interests of other i2Live Annuity policyholders.

Other information

How to complain

If you ever need to complain about this plan, please contact us using the details shown in the 'How to contact us' section. If you are not satisfied with our response, you can complain to:

The Financial Ombudsman Service
Exchange Tower
Harbour Exchange Square London
E14 9SR

Tel: 0300 123 9 123

Email: complaint.info@financial-ombudsman.org.uk
www.financial-ombudsman.org.uk

Complaining to the Ombudsman won't affect your legal rights.

Terms and Conditions

This document only summarises the features of this product. Please read it alongside your personal illustration, the product Terms and Conditions and the Customer Investment Funds Guide, available from us on request or from your financial adviser.

Law

The Laws of England and Wales apply to this plan.

Compensation

We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation if we cannot meet our obligations. You should note that there are limits to the protection offered by the Scheme. The Scheme will cover 100% of the claim, without any upper limit.

Further information on compensation arrangements is available from the Financial Services Compensation Scheme (FSCS) at:

10th Floor Beaufort
House 15 St Botolph
Street London
EC3A 7QU

Tel: 0800 678 1100
www.fscs.org.uk

Document availability

Please contact our Service Team if you require this document in another format. We can provide it in:

- Larger print
- Braille
- Compact disc (CD).

The documents mentioned in this brochure are available from your financial adviser. Alternatively please contact our Service Team.

Financial Strength

A copy of our annual Solvency and Financial Condition Report can be viewed at www.sloc.co.uk.

Important

Sun Life Assurance Company of Canada (U.K.) Limited does not provide advice on its life assurance and pension products, but aims to give customers helpful information to enable them to make informed decisions.

To find a financial adviser just call us or visit www.unbiased.co.uk

Glossary

This glossary explains many of the terms in this document. If you're unsure about any information or you need more help understanding certain terms, please talk to your financial adviser or call us on 0345 642 4444.

Term	Definition
Annuity	A product issued by insurance companies which converts your pension fund into an income. There are different types of <i>annuity</i> to suit different circumstances.
Annuity rate	The rate that is used to convert a pension fund into an income.
Beneficiary/beneficiaries	The person/people nominated by you to receive benefits from i2Live Annuity following your death.
Conventional annuity	An <i>annuity</i> that provides a regular income for life. Once it starts, it cannot be changed.
Dependant	Your husband, wife, civil partner, child under age 23, child over age 23 and dependent on you because of physical or mental impairment, or any other person who is dependent on you either financially or because of physical or mental impairment.
Guaranteed minimum income	The minimum level of annual income that is guaranteed when the <i>Income Guarantee Option</i> applies.
Impaired life	Someone that we believe has a lower than average life expectancy.
Income Guarantee Option	An option available on this plan that ensures your income will not fall below a guaranteed minimum amount.

Term	Definition
Maximum supportable income	The maximum income allowed under the <i>Income Guarantee Option</i> that your fund can provide for the rest of your life. It is the level of income we calculate based on assumptions such as your life expectancy and investment returns.
Mortality credits	A credit added to your fund from the unused funds of other i2Live Annuity holders on their death.
Pension sharing order	An order that allows pension rights to be split on divorce.
Registered pension scheme	A pension scheme that is registered with HMRC.
SERPS (State Earnings-Related Pension Scheme)	A state program that was designed to pay retired employees an additional pension to the standard state pension. It was replaced by the State Second Pension.
Transfer/transfer value/transfer payment	This is the value of your pension benefits that you move from one pension to another.
Uncrystallised funds	The monies invested in a pension that have not yet been used to provide benefits.
Units	The notional <i>units</i> into which we divide each investment fund and which we use to work out the value of your policy.

How to contact us

Our dedicated adviser and customer support teams are on hand to answer any questions you have about Sun Life Financial of Canada's products and services.

They can also provide you with further product literature and assist you with any specific queries or instructions regarding a policy.



Phone

Customer & Adviser helpline:

0345 642 4444

or, 01256 656472



Email

i2live@uksloc.co.uk



Post

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Basingstoke, RG24 4TD



Online

Visit us online at www.sloc.co.uk

For the latest news, fund information and product literature.



Our lines are open from 9am to 5pm Monday to Friday.

We may monitor or record calls to help us improve our service.

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