

Plan Booklet (April 2006)

Halifax Life Stakeholder Pension Plan

Plan Booklet

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1. Technical words

- a Except for the headings, in these conditions the following words have the following meanings.
- ‘We’, ‘us’ or ‘our’ refers to Halifax Life Limited.
 - ‘You’ and ‘your’ refers to the person named as the planholder in the **schedule**.
- b In these conditions, we have put the following technical words in bold type because they have a special meaning.
- The **administration office** is an office at which we carry out the administration. Its current address is PO Box 10, Walton Street, Aylesbury, Buckinghamshire HP21 7GD.
 - An **arrangement** is made by or for you with the **scheme administrator** in accordance with the **scheme rules**.
 - The **average earnings index** is the index of average earnings in Great Britain (Whole Economy) published by the Government. If the Government stops publishing this index we will choose a suitable replacement at that time.
 - A **benefit start date** is a date on which benefits are taken under your **plan** as allowed under the **scheme rules**.
 - The **death benefit** is the amount we will pay if the **scheme member** dies before all of the value of the **plan** has been paid to provide benefits in accordance with the **scheme rules**, worked out under condition 13.
 - Because each **fund** is single-priced, when **units** are linked to a **plan**, cancelled or switched, the dealing charges incurred buying and selling the **property** of a **fund** and any spread between the buying and selling prices of that **property** can lead to the underlying value of the **property** being less than the value of the **fund**, calculated by multiplying the total number of **units** by the **unit price**. This is called **dilution**. To counter the effects of this and in order to preserve equity between planholders, we may adjust the **unit price** of **units** within a **fund** in line with condition 9.
 - A **fund** is a pool of investments managed according to the investment criteria for that **fund**.
 - Our **management charge** is the charge we make for selling and administering plans and managing each **fund**.
 - The **plan** is the contract of insurance between you and us, of which your application, the **plan document**, the **plan booklet** and the **schedule**, plus any endorsements to them, are evidence.
 - The **plan booklet** is this plan booklet, as amended from time to time.
 - The **plan document** is the document accompanying the **schedule**, as amended from time to time.
 - **Property** is the assets held within a **fund**, such as stocks and shares, fixed interest securities, land and buildings, and cash.
 - The **schedule** is the schedule to this **plan**, as amended from time to time.
 - The **scheme** is the registered pension scheme named in the **schedule**.
 - The **scheme administrator** is the person who is legally responsible for managing the **scheme**. When your **plan** started, we were the **scheme administrator**.
 - The **scheme member** is the person named as such in the **schedule**.
 - The **scheme rules** are the deed, rules and any other document governing the running of the **scheme**, as amended from time to time.
 - The **start date** is the date the **plan** starts.
 - **Units** are shares of equal value in a **fund**.
 - The **unit price** is the price at which we link **units** to your **plan**, cancel **units** linked to your **plan** or switch units within your **plan** (see condition 7).
 - A **valuation** is the process of working out the value of the **property** in each **fund**.
 - A **working day** is any day other than a Saturday or Sunday which is not a bank or public holiday in England or any day on which we choose to carry out a **valuation** of the **funds**.

2. Your plan

- a Your **plan** is evidence of one or more **arrangements** made under a registered pension scheme. Contributions are invested in your **plan**. We will pay the value of the **plan** to the **scheme administrator** who will use it to provide the benefits which you ask for, subject to the terms of the **scheme rules**. The value of the **plan** will be paid to the **scheme administrator** at our **administration office**.
- b This **plan booklet** sets out how we will invest contributions to your **plan** and how we will work out the proceeds of your **plan**.
- c The number of **arrangements** depends on the types of contributions paid. Where more than one **arrangement** exists, we will tell you.

- d Your contributions can be invested in a variety of different **funds**.

3. Contributions

- a Contributions may be made to your **plan** in line with this condition 3 and the **scheme rules**.
- b We have set a minimum contribution size and minimum interval between regular contributions. We told you about these when you applied for your **plan**. If you ask us, we will tell you the level of any minimum contribution size or minimum interval applying at any time. We may change either of them in line with condition I7. Our minimum contribution size and minimum interval will not be less than that permitted by the **scheme rules** and the law relating to stakeholder pensions.
- c Contributions may be made in the following ways.
- Direct Debit.
 - Cheque.
 - Standing Order.
 - Direct Credit.
 - Debit Card.
- d We will not accept contributions paid in cash or by credit card.
- e We can only accept contributions which are in the currency of England at the time of payment.

4. Automatic increases to regular contributions

- a If you are paying contributions monthly by direct debit, you can ask us to increase your contributions automatically in line with condition 4b. You can ask us to do this either when you apply for your **plan** or subsequently by writing to us.
- b On the date you choose and on each following anniversary of that date, we will automatically increase the level of your contributions. The increase will match the increase in the **average earnings index** during the 12 month period ending on the last day of the third month before the month in which that date or the anniversary of that date (as appropriate) falls.
- c If the **average earnings index** decreases, the level of contributions will stay the same.

5. Return of contributions

- a We will return contributions if the **scheme administrator** was not permitted to accept them from or in respect of the **scheme member** under the **scheme rules**.
- b We return a contribution by cancelling the **units** secured by that contribution and paying you the value of those **units** calculated at the next **valuation** after we decide to cancel those **units** (if the **unit price** has fallen since we linked the **units** to your **plan**, you will receive less than your original contribution).
- c If we have to pay any tax to the tax authorities because we are returning your contributions to you, we can take the amount of the tax from the money we return to you.

6. The funds

- a We have a number of **funds**. You can obtain details of the **funds** from us.
- b We can cancel **funds**, merge **funds** or change the number and type of **funds** available.
- c We own the **property** in each **fund**. We decide how to invest that **property**. We can borrow money in connection with a **fund**, using the **property** in that **fund** as security.
- d We will credit income from the **property** in a **fund** to that **fund**.

7. Units and unit prices

- a We will divide each **fund** into **units**. We will not create new **units** in a **fund** unless **property** of the same value as the **units** is also added to the **fund**. We will not take **property** from a **fund** unless **units** of the same value are cancelled (except under condition I0 below).
- b Each **unit** in a **fund** will have a **unit price** which we will work out at every **valuation**.
- c The **unit price** of a **unit** in a **fund** will be the value of the **fund** divided by the number of **units** in that **fund**.
- d We may sometimes divide **units** into a number of separate **units** or combine **units** into a single **unit** but this will not affect the value of your **plan**.

8. Linking units

- a We link **units** to your **plan** so that we can work out the benefits under your **plan**. You do not own **units** and they do not give you any rights to the **property** in a **fund**. The number of **units** we link to your **plan** will be rounded down to the nearest 1/1000th of a **unit**.
- b When you apply for your **plan**, you choose how much of your first contribution will be invested in each of the **funds**. We show this in the **schedule**. When we receive a further contribution, that contribution will be invested in each of the **funds** in the same proportion as your first contribution or as you indicated in your latest written instructions, as appropriate.
- c For single contributions, we will work out how many **units** in a **fund** will be linked to your **plan** by dividing the appropriate part of the contribution by the **unit price** of **units** in that **fund** calculated at the next **valuation** after we receive the contribution and any documents that we may reasonably ask for (for example a fully completed application form) at our **administration office**.
- d If you are paying regular monthly contributions by direct debit, then we will work out how many **units** in a **fund** will be linked to your **plan** by dividing the appropriate part of the contribution by the **unit price** of **units** in that **fund** calculated on the collection date. If the normal collection date is not a **working day**, the collection date will be the next **working day**. If there is not an equivalent date in any month, the collection date will be the last **working day** of that month.
- e If we do not receive a contribution which should have been paid by direct debit on the collection date, we may either:
 - link the **units** to your **plan** on the collection date and, if we do not receive the contribution within a reasonable period of time, we may cancel the link to those **units**; or
 - link the **units** to your **plan** at the next **valuation** after we receive the contribution at our **administration office**.
- f Currently, when we link **units** to your **plan** for a contribution, we also link **units** to your **plan** for the tax relief that applies to that contribution even though it may be some time before we receive that tax relief from the tax authorities. We may change the method by which we link **units** to your **plan** for tax relief (for example, we may decide to wait until we receive the tax relief from the tax authorities) in line with condition I7.

9. Valuation

- a We work out the value of each **fund** at the valuation point each **working day** using the following principles.
 - For **property** where there is one price for buying and selling, the **property** will be valued according to that price.
 - For **property** where there is a price for buying and a separate price for selling, the **property** will be valued according to the average of the two prices.
 - **Property** which is quoted or traded on a recognised stock exchange will be valued with regard to the prices quoted on the relevant exchange. If any **property** is listed on more than one stock exchange, we will decide which quote gives the most appropriate valuation.
 - The value of any land and buildings will be related to the value determined by independent valuers we appoint and we will adjust the price to take account of changes in **property** prices between valuations.
 - For **property** where we reasonably regard the price for the **property** as unreliable or where there is no recent traded price, we will value the **property** according to a price which is fair and reasonable.
 - We may adjust the value of any **fund** to take into account matters such as income and premiums received but not yet invested and deductions from the **fund** which are or may be payable at or after the **valuation** (see condition I0), to prevent the **dilution** of the **fund** through the linking, cancellation or switching of **units** and to preserve equity between planholders.
- b If for any reason (for example, new laws or court decisions) we reasonably decide that it is impossible or impracticable to value any investments in a **fund** in the way described above we may change the way in which we value those investments to a manner which is fair and reasonable.
- c In working out **unit prices**, we will round to the nearest one decimal place in pence (e.g. 97.24p is rounded to 97.2p, 97.26p is rounded to 97.3p).

10. Deductions

- a To the extent to which we are allowed by the law relating to stakeholder pensions, we will deduct from each **fund** amounts for the following which will reduce the **unit price** of the **units** in that **fund**.

- All expenses, taxes, duties and other charges which arise from us buying, selling, valuing and maintaining **property** of the **fund**. If this **property** is land and buildings we will also take an amount to cover the cost of managing, repairing, rebuilding and insuring this **property**.
 - Interest on money borrowed for the **fund**.
 - Taxes in connection with the income from, and capital gains on, the **property** of the **fund**, as long as these are not greater than the taxes we would be liable to pay if the **fund** made up all of our life assurance investments and we had no expenses.
 - Any other expenses, taxes or charges associated with the **fund** (including any levy or charge under the Financial Services and Markets Act 2000).
 - Our **management charge**.
- b We may apply a different level of **management charge** to each **fund** and to different series of **units** of the same **fund**. We will tell you the level or levels of our **management charge** before your **plan** starts. We may change the level or levels of our **management charge** in line with condition I7. Our **management charge** will not exceed the level permitted by the law relating to stakeholder pensions.
- c We may cancel some or all of the **units** linked to your **plan** and exchange them for a different series of **units** of the same total value in the same **fund** or **funds** with a lower **management charge**, linking all future contributions to your **plan** to that different series of **units**.
- d We may cancel your **units** and pay the proceeds to the **scheme administrator** necessary to reimburse the **scheme administrator** for certain expenses for which the **scheme administrator** is permitted to be reimbursed under the **scheme rules** and the law relating to stakeholder pensions.
- e If any tax or charges are payable to the tax authorities in relation to your **plan**, we may also cancel your **units** and pay the proceeds to the **scheme administrator** necessary to reimburse the **scheme administrator** for this.
- f We may cancel your **units** and pay the proceeds to the **scheme administrator** to meet any other charges and deductions that the **scheme administrator** is permitted to make under the **scheme rules** and the law relating to stakeholder pensions.
- g Where one **fund** invests in **units** of another **fund**, no double charging will occur.

I 1. Changing future contributions

- a You can write and ask us to change the way in which future contributions are shared between the **funds**.
- b We will make this change from the **working day** on which we receive your request at our **administration office**.
- c We set minimum limits for the amount of any future contribution that can be used to buy **units** in any **fund** under condition I1a. If you ask us, we will tell you the level of any minimum limit applying at that time. We may change it in line with condition I7.

I 2. Switching units

- a You can ask us to cancel some or all of the **units** of a particular **fund** linked to your **plan** and exchange them for **units** of the same total value in another **fund** or **funds**, that value being determined in line with condition I2b. Your request to switch must be made in writing or by any other method that we permit.
- b A switch of **units** between **funds** will be based on the **unit price** of **units** at the next **valuation** after we receive your written request at our **administration office** or the **valuation** after that, depending on the time at which we receive your request. If you ask us, we will tell you the time by which we must receive your request for the next **valuation** to apply to the switch of **units**. We may change it in line with condition I7.
- c The options under this condition I2 will not be available if the value of **units** to be cancelled or linked to your **plan** would be less than any minimum limit we set. If you ask us we will tell you the level of any minimum limit at that time. We may change it in line with condition I7.

I 3. Benefits

- a The benefits secured by your **plan** can be paid only in accordance with the **scheme rules**. When you ask, or when the **scheme rules** require, the **scheme administrator** will let you know how you may take the benefits. The **scheme administrator** will send you a form to apply for benefits.
- b If you decide to use the full value of your **plan** on a **benefit start date**, we will cancel all of the **units** linked to your **plan** calculated at the **valuation** on the **benefit start date** and pay the value of those **units** to the **scheme administrator** on that date to provide benefits in accordance with the **scheme rules**.

- c If you decide to use only part of the value of your **plan** calculated at the **valuation** on a **benefit start date**, we will cancel **units** to that value linked to your **plan** on the **benefit start date** and pay the value of those **units** to the **scheme administrator** on that date to provide benefits in accordance with the **scheme rules**.
- d If the **scheme member** chooses to take benefits under the **scheme rules** by unsecured pension, your **plan** will be designated as an unsecured pension on that date. If the **scheme member** has chosen to take a pension commencement lump sum, we will cancel **units** to that value linked to your **plan** on the **benefit start date** and designate the remainder of your plan as an unsecured pension. Your **plan** will remain invested in line with your last instructions. We will continue to deduct our **management charge**. No income payments will be payable under your **plan**.
- e If you do not use the full value of your **plan** to take benefits by the 75th birthday of the **scheme member**, your **plan** will be designated as an alternatively secured pension on that date and will remain invested in line with your last instructions. We will continue to deduct our **management charge**. No income payments will be payable under your **plan**.
- f If the **scheme member** dies before all of the value of the **plan** has been paid to provide benefits in accordance with the **scheme rules**, we will pay the **death benefit**.
- g The amount of **death benefit** we will pay will be the value of the **units** linked to your **plan** calculated at the next **valuation** after we receive written notice of the **scheme member's** death at our **administration office**.
- h All payments under your **plan** will be made to the **scheme administrator** to provide benefits in accordance with the **scheme rules**.
- i All benefits will be payable in the official currency of England at the time of payment.

14. Transfer from your plan

- a You may ask us to transfer some or all of the value of your **plan** to one or more schemes provided by another person at any time. Transfers can be made only to certain schemes which are registered with the tax authorities. If you are thinking about transferring your benefits please let us know and we will let you know if a transfer is possible.
- b The transfer value that we will pay to the **scheme administrator** will be calculated using the **unit prices** at the **valuation** on the date we make that payment.

15. Transfer into your plan

We may agree to your **plan** accepting transfers from another pension scheme or other similar arrangement. If you want to make a transfer into your **plan**, please let us know so that we can let you know if a transfer is possible. The tax authorities may not permit certain transfers.

16. Special circumstances

- a We can put off cancelling **units** in a **fund** for a period of no more than six months for **funds** which hold assets, directly or indirectly, in land or buildings, and no more than one month in all other cases in the following circumstances.
 - Situations beyond our reasonable control which affect us, such as:
 - act of God;
 - storm, fire, earthquake or other form of natural disaster;
 - war, riot, civil commotion or military action or political unrest or a similar event;
 - government action;
 - act of terrorism;
 - boycott, embargo or other form of sanction;
 - strike, lock out or other industrial action;
 - explosion;
 - electrical failure;
 - failure of communications system; or
 - failure of carrier to carry out their duty.
 - If there are unusual market events, such as a large and unexpected fall in asset values or the suspension of or a material limitation imposed on a relevant investment exchange.
 - If we cannot sell assets without our other planholders losing out.
- b We can also put off cancelling **units** in a **fund** for a period of no more than six months for **funds** which hold assets, directly or indirectly, in land or buildings, and no more than one month in all other cases in any other circumstances we reasonably consider to be unusual.
- c In special circumstances such as those described above, the **unit prices** we will use when cancelling the **units** will be those at the next **valuation** after the period of delay ends.
- d We will tell you at the earliest opportunity if we have to use condition I6a or b for your **plan**.

17. Changes to your plan

- a If you or the **scheme member** fails to give a true and complete answer to any question (to the best of that person's knowledge and belief at the time) in any document which we have asked to be filled in, we may change or cancel the **plan**, as we may reasonably consider appropriate to take account of the information we were not given.
- b We will tell you at the earliest opportunity if we have to use condition 17a for your **plan**.
- c By giving you reasonable notice in advance of the change, we can change any of these conditions for one or more of the following reasons:
- to make them easier to understand or fairer to you;
 - to reflect changes to the law, codes of practice or the way we are regulated;
 - to reflect a decision or recommendation made by, or a requirement of, a court, ombudsman, regulator or similar body or any undertaking given to any such body;
 - to reflect changes to standards published by other bodies which we agree will apply to your **plan**;
 - to reflect changes in market conditions;
 - to reflect changes in general market practice (including the terms on which similar products are offered);
 - to reflect changes to the way we look after your **plan** or registered pension schemes or stakeholder pensions generally;
 - to reflect legitimate changes to our costs of selling and/or administering plans and/or managing the **funds**;
 - to allow us to introduce new or improved systems for looking after your **plan**; or
 - to correct mistakes.
- d We can also change the **management charge** under condition 10 for any valid reason. We will give you reasonable notice of at least 10 **working days** in advance of any change under this condition. You will be free to transfer your **plan** to another scheme under condition 14. Any change under this condition will be a proportionate response to the reason for that change.
- e We can also change these conditions if it is fair and reasonable to make the change. We will give you reasonable notice of at least 10 working days in advance of any change made under this condition. You will be free to transfer your plan to another scheme under condition 14.
- f If we delay in enforcing any term which forms part of these conditions, this will not affect our right to enforce it or the rest of those terms.
- g If we choose not to enforce any term which forms part of these conditions, this will not affect our right to enforce the rest of those terms.
- h Each paragraph and sub-paragraph in these conditions is separate from the others. This means that if we cannot enforce any one paragraph or sub-paragraph in these conditions, this will not affect our right to enforce any other paragraph or sub-paragraph.
- i We will not make a change under this condition 17 that will cause the way in which we manage your **plan** to breach the law relating to registered pension schemes or stakeholder pensions.

18. Money laundering

We may ask for proof of your identity and other relevant information in line with the law to prevent money laundering. If you do not provide this or we are not satisfied with the proof and other relevant information that you provide, we may:

- not start your **plan**;
- end your **plan**; or
- refuse to make payments from your **plan**.

The price at which we then secure or cancel **units** for your **plan** could be higher or lower than the price at the time we received your application or instructions.

We will give you at least 10 **working days** notice of any change under this condition. You will be free to transfer your **plan** to another scheme under condition 14.

Where we refer to "changes" in the above list, we mean changes we know will happen or we reasonably believe will happen or changes that have already taken place.

Any change under this condition will be a proportionate response to the reason for that change.

19. Scheme approval and winding-up

- a The **scheme** is a registered pension scheme for the purposes of tax approval. It is also registered with the Pensions Regulator as a stakeholder pension scheme.
- b We cannot accept any contributions to your **plan** if we are not permitted by the **scheme rules** or the law relating to registered pension schemes or stakeholder pensions to accept them.
- c The **plan** is issued under the **scheme rules**. You cannot exercise any option or rights under the **plan** which do not keep in line with the **scheme rules**. If there is anything in this **plan** which does not match what is set out in the **scheme rules**, then the **scheme rules** will be followed and not the terms of this **plan**. The **scheme rules** state what benefits can be paid and when they can be taken. They apply despite anything stated in this **plan**.
- d The provisions that apply to the winding-up of the **scheme** are contained in the **scheme rules**.
- e The **schedule** shows details of the **plan** at the **start date**. We may give you notice of a change to your **plan** rather than issuing you with an endorsement. In that case, our records will be conclusive evidence of that change. You can request a statement showing the details of your **plan** at any time.
- d Your **plan** may only be cancelled if and to the extent permitted by the **scheme rules**.
- e You may not assign your **plan** to anyone else nor grant any rights over it except as permitted by the **scheme rules**.
- f The **plan** may be enforced only by the parties to the **plan** and not by any third party under rights conferred by the Contracts (Rights of Third Parties) Act 1999 as may be in force from time to time.
- g It is agreed that your **plan** is governed by the laws of England and Wales.
- h It is agreed that any dispute will be dealt with by the English courts.

20. General

- a We may not accept any instruction, request or notice or pay any benefit until we receive at our **administration office** any documents, information and consents for which we have asked and which we reasonably consider are necessary.
- b All notices which affect the ownership of this **plan** must be given in writing to us at our **administration office**.