

# Introducing the Standard Life Guaranteed Lifetime Income plan

## A guide for customers

Enjoy access to a regular, secure income  
that's paid for life



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The **Standard Life Guaranteed Lifetime Income plan** is designed with the needs of Fidelity pension customers in mind. You will either have an existing Fidelity Pension Account (referred to throughout this guide as 'Pension Account') or your financial adviser will be discussing opening one for you.

We've designed this Customer Guide to give you an overview of the Standard Life Guaranteed Lifetime Income plan. **We recommend you read this guide followed by the Standard Life Guaranteed Income plan Key Features Document and Product Detail Guide.**

You should speak to your financial adviser if you have any questions.

We've included **some useful terms and definitions on pages five and 15**, to help explain some of the terminology used in this guide.

# Providing access to a guaranteed lifetime income in retirement

As average life expectancy has increased over time, so too has the importance for retirees to ensure they have sufficient income to cover their needs throughout retirement. Choosing the right strategy is very important, especially with the various options available to you.

**At Standard Life, we are always looking for new ways to help you secure your retirement – that's why we created the Guaranteed Lifetime Income plan.**

## What is the Guaranteed Lifetime Income plan?

The Guaranteed Lifetime Income plan (referred to as 'the Plan' in this guide) is a way of using some of your savings held in your Flexi-access Drawdown Account to secure a guaranteed fixed monthly income throughout your retirement.

The Plan could help cover your essential spending, protecting some of your retirement income from the everyday ups and downs of the investment market. And if you don't need some or all of the income for a particular month or period of time, you can leave it or choose to reinvest some or all of it in your Fidelity Pension Account (referred to throughout this guide as 'Pension Account').

The Plan itself is held within your Flexi-access Drawdown Account and the income from the Plan will be paid to your Fidelity Product Cash account (referred to throughout this guide as 'Product Cash account').



**Pages 4 and 5 cover how the Plan works and explains each of the Pension Account terms we've referenced.**

## What makes the Guaranteed Lifetime Income plan different?

The Plan pays a guaranteed income for life just like a conventional annuity with the added benefit of being held in your Flexi-access Drawdown Account alongside your other Drawdown Investment Funds. This gives you both the security of having access to a guaranteed income for life and the flexibility to take income as and when you need it. If you need more guaranteed income, you can take out additional Plans.

## Control what you do with your income

Unlike a conventional annuity, any income from the Plan is paid into your Product Cash account (rather than your chosen bank account), allowing you:

- to take income when you actually need it
- to control your income tax liability by deciding how much income you withdraw
- the flexibility to reinvest any untaken income back into your Flexi-Access Drawdown Account for potential growth.



## The Plan at a glance...

- Enjoy access to an income that's guaranteed for as long as you live
- Income not liable to Income Tax until you withdraw money into your chosen bank account
- Secure part of your retirement income from the ups and downs of the investment market
- Choose Value Protection – a death benefit option – to leave a lump sum to your loved ones if the total income received from the Plan is less than the purchase price of the Plan
- To find out more, speak to your financial adviser



# How does the Plan work?

The money to purchase the Plan comes from your Flexi-access Drawdown Account which is where the Plan is held. Your financial adviser will help you to set this up.

Once purchased, the Plan will provide a monthly income paid into your Product Cash account. You can choose to withdraw some or all of it as an income, reinvest the money or keep until needed.

You won't be liable to pay any Income Tax until you withdraw money into your chosen bank account.

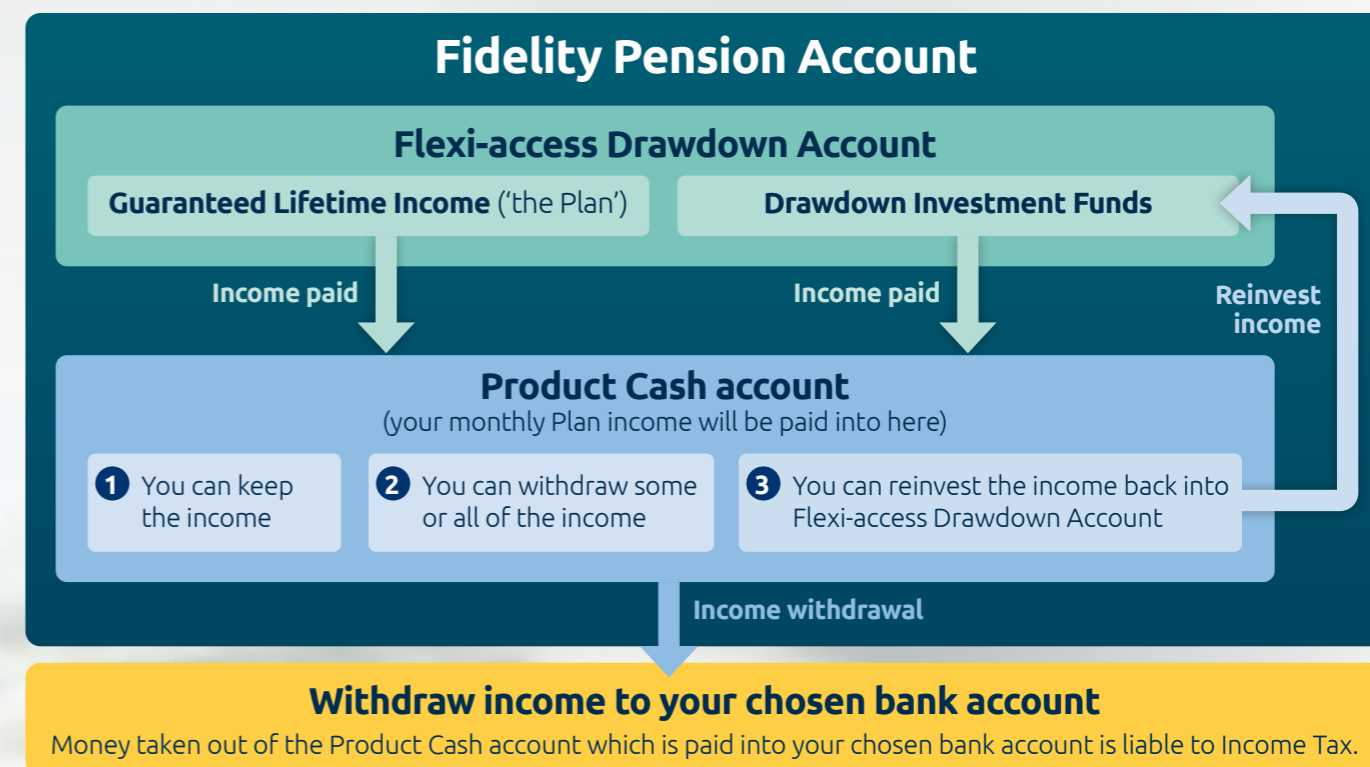
What's more, as the income payable from the Plan is fixed and guaranteed for the rest of your life, you'll be securing this part of your pension income from the ups and downs of the investment markets.

For added peace of mind, you can also choose a death benefit option (also known as Value Protection). This protects 100% of the amount used to purchase the Plan. This is explained in more detail later in the guide on page 6.

And of course, you can check your Plan as well as your other retirement savings in real time, via your Fidelity Pension Account.

## The diagram below shows how the Plan works

The Flexi-access Drawdown Account, including the Plan and the Product Cash account are all part of your Pension Account.



### Pension Account Terms

Here are a few important terms relating to your Pension Account.

**Pension Account** – your pension plan where you can invest for your retirement and from age 55 (increasing to 57 from 6 April 2028) you can access the full retirement options available to you. There are a number of elements within your Pension Account including the Flexi-access Drawdown Account and Product Cash account.

**Flexi-access Drawdown Account** – is set up when you want to start taking an income from your pension savings. You can choose which Drawdown Investment Funds you want to hold within this account.

**Guaranteed Lifetime Income ('the Plan')** – you can use some of your pension savings to purchase a Guaranteed Lifetime Income plan. In return, you'll receive a guaranteed income for life paid into your Product Cash account.

**Drawdown Investment Funds** – you can select which investments your pension savings go into with the help of your financial adviser. These investments are described as Drawdown Investment Funds and could be investment funds or even individual stocks and shares. These can remain invested or used to provide additional flexible income.

**Reinvested income** – is where any untaken income you receive is reinvested back into your Flexi-access Drawdown Account. The amount reinvested and the type of investments you wish to choose will be agreed by you and your financial adviser.

**Product Cash account** – is where any cash or income from your Flexi-access Drawdown Account is held. Any income taken from the Plan via the Product Cash account and paid into your personal bank account, will be liable to tax at source using the tax code provided by HMRC to Fidelity International.



# Death benefit option for your loved ones

The Plan also offers you a death benefit option. When you take out your Plan, you can choose to include a death benefit option (also known as Value Protection).

When you die, if you have chosen the death benefit and the total income received from the Plan is less than the amount used to purchase the Plan, the difference will be paid into the Product Cash account, irrespective of whether the Plan income was paid out and withdrawn by you, left in your Product Cash account or reinvested in your Drawdown Investment Funds. The Product Cash account can then be used by your chosen beneficiaries to make a lump sum or income withdrawal. Income withdrawal and lump sum payments may be liable to Income Tax.

Once the income received from the Plan is at least as much or more than the purchase price, Value Protection will no longer pay a lump sum.

## Let's look at a couple of examples to illustrate how the death benefit option works.

Jackie is aged 60 and in good health. She purchased the Plan with a death benefit option using £50,000 from her Pension Account. She receives a gross income of £3,000 a year into her Product Cash account, which is paid monthly. You can see below how much would be paid out as lump sum death benefit from the Plan depending on when she dies.

**In this example, it would take over 16 years of regular guaranteed lifetime income payments to Jackie before the amount payable on death reduced to zero. This is due to Jackie receiving more income than the purchase price of the Plan so there would be no lump sum death benefit left to pay to Jackie's beneficiaries.**

Age	Year	Total income taken by end of year	Lump sum death benefit	Total income and death benefit
61	1	£3,000	£47,000	£50,000
66	6	£18,000	£32,000	£50,000
71	11	£33,000	£17,000	£50,000
76	16	£48,000	£2,000	£50,000
77	17	£51,000	£0	£51,000

Katie is aged 65 and currently smokes. She purchased the Plan with death benefit option for £100,000 from her Pension Account. Due to Katie's health and lifestyle she receives a gross income of £7,500 a year which is paid monthly. You can see below that her £100,000 purchase price is protected in the same way as Jackie above, but her total income is higher so the lump sum payable on her death reduces more quickly.

**As described in the table below, once the total income paid equals the Plan purchase price, the death benefit will then be zero. Katie's Plan income will continue to be paid every month until she dies, but there will no longer be any death benefit payable.**

Age	Year	Total income taken by end of year	Lump sum death benefit	Total income and death benefit
66	1	£7,500	£92,500	£100,000
71	6	£45,000	£55,000	£100,000
76	11	£82,500	£17,500	£100,000
78	13	£97,500	£2,500	£100,000
79	14	£105,000	£0	£105,000

**The above examples are for illustrative purposes only and do not represent actual income. Please obtain a quote via your financial adviser to see the income you could receive.**





# How could the Plan help me get access to a guaranteed income for life?

Designed to deliver income security for life, the Plan offers you a simple and valuable way of creating and receiving a retirement income within your Pension Account – one that is guaranteed to last as long as you live.

Sitting within your Flexi-access Drawdown Account – a guaranteed income could help you feel more relaxed with your retirement plans, giving confidence you'll have a continuous income stream to help cover your essential spending for the rest of your life.

As more of us are living longer, the Plan could help you enjoy a long and happy retirement without the risk of running out of income.

You can choose to buy more Plans at a later date if your personal circumstances change, if you need more income in the future or you want to opt for a greater level of income security (subject to product eligibility).

Having this flexibility allows you to take advantage of any potential improved rates for the Plan in the future, for example, as you get older or experience changing health.

And if you decide to continue working less at the beginning of your retirement, you could use some of your Plan income to supplement any existing income you are already receiving for as long as you require.

Why not talk to your financial adviser about the Plan and see how it could help provide some peace of mind for your retirement.

## Combining the Plan with pension drawdown offers you:

- **A simple way to manage your retirement income in one place** – a guaranteed income for the rest of your life paid into your Product Cash account, can make managing all of your retirement income that much easier
- **Security and flexibility** – the Plan gives you the security of a guaranteed income within your Flexi-access Drawdown Account, where you have the flexibility to keep your remaining assets invested and withdraw income when you need it
- **Income choices** – once your monthly Plan income is paid, you can choose to withdraw some or all of it as an income, reinvest the money or keep it in cash until needed
- **Tax efficiency** – because your income is paid into your Product Cash account, it will not be liable to Income Tax until you decide to withdraw it into your chosen bank account. You can decide to withdraw as much or as little of the income as you need

# Is the Plan right for me?

The tables below outline the key features and benefits of the Plan so you can assess with your financial adviser if it's the right retirement solution for you.

## The Plan may be the right choice if you:

- Would like access to a regular, guaranteed retirement income for life
- Want to keep some of your pension savings invested so you can potentially benefit from future growth
- Want to receive a guaranteed lifetime income into your Product Cash account to manage all your income in one place
- Would like the option to potentially provide a lump sum death benefit for your loved ones when you die (via Value protection where applicable)
- Would like to avoid part of your retirement savings being impacted by the investment markets
- Live in the UK and are typically aged between 55 (rising to 57 from 6 April 2028) and 85 years old
- Typically have pension savings of between £100,000 and £1,000,000
- Have, or are about to appoint, a financial adviser to manage your retirement income from your existing or a new Pension Account

## The Plan may not be the right fit if you:

- Don't have a need or desire for a guaranteed lifetime income
- Would prefer a standalone guaranteed income not held within the Pension Account
- Would like to keep all of your pension savings invested so you can potentially benefit from any future investment growth
- Have a very short life expectancy or are terminally ill i.e. a medical professional has diagnosed an illness or condition which cannot be cured and is likely to very shortly lead to a person's death
- Are looking for a short-term income solution rather than one that lasts a lifetime
- Want to use all of your pension savings for a guaranteed income
- Don't have or want to use a financial adviser
- Would like an income with a guaranteed link to inflation
- Want to provide a guaranteed income to a spouse or dependant

For more details, please see our **Guaranteed Lifetime Income plan Key Features Document** and **Product Detail Guide**.

# Examples of how people might choose to use the Plan



## Receiving a blended income

**Peter is 64 years old and is about to retire from his job as a Planning Manager.**

Over the course of his working career Peter has built up significant pension savings of £350,000 and has been happy to invest in a variety of funds to build up his savings.

After speaking with his financial adviser, he wants to start taking an income from his pension savings. Peter has decided he wants a blended retirement income solution, where he has both income security and access to his other pension savings to provide some flexibility.

His adviser recommends setting up a Flexi-access Drawdown Account and using some of his pension savings to buy a Guaranteed Lifetime Income. This will ensure he'll be able to receive a set amount of income every month for as long as he lives. The income will be paid into his Product Cash account where he can take it as income or re-invest it for potential growth.

Peter will benefit from having a Guaranteed Lifetime Income plan irrespective of investment market conditions.

As a result of purchasing the Plan, if markets were to fall he won't need to withdraw as much of his invested money compared to being fully in drawdown as he has a guaranteed income in place.

His remaining savings will be invested in his Flexi-access Drawdown Account alongside his Guaranteed Lifetime Income where he can withdraw money as and when he needs it and benefit from any upturn in the investment market.

## Increasing your guaranteed income to reduce market risk and protect against inflation

**Sheila is 73 and has been retired for ten years.**

Sheila has been taking a drawdown income from her £250,000 Flexi-access Drawdown Account to compliment her State Pension. Following an annual review with her financial adviser, she has decided to guarantee some of her income to reduce the amount of her retirement money that is invested in the financial markets. She would still like some money available, as and when she needs it to spend on holidays and other treats or to leave a potential legacy for her children.

Sheila is also concerned about inflation in the years to come and has asked her adviser to recommend a solution which could help.

Her financial adviser recommends she purchases an income of £4,000 per year to add to her State Pension. This will provide her with a stream of guaranteed monthly income for as long as she lives.

Her adviser will review her income each year and purchase additional Plans to cover any inflationary increases to her essential spending. This also means less of her remaining invested money is impacted by market movements as she gets older.



# Key considerations for assessing the Plan

We've launched the Plan in response to a growing need from customers for access to a reliable income stream, which sits within their Flexi-access Drawdown Account.

**If you decide to set up the Plan to provide you with peace of mind in retirement, you should first think carefully about how much income you'll need when you retire. Your financial adviser will help you to plan the best solution for your needs, but there are several things you may want to consider.**

## Essential income

Generally, looking at your regular monthly outgoings such as utility bills and household expenditures, such as fuel and groceries could be a good place to start.

It can also be useful to think about the income you need for these things as **essential income**.

## Lifestyle income

Thinking about your future needs isn't just about the 'normal' stuff and should include some of the fun things you would like to do in retirement. For example, days out, mini breaks, holidays, leisure, and your favourite sporting activities. It can be useful to think about the income you need for these things as **lifestyle income**.

It's also important to remember that your needs and the activities you enjoy may change over time, so having the flexibility to adjust your income during the later stages of your retirement could prove invaluable.

## How much of your pension savings do you want to use?

As we've already mentioned, it's important to look at your regular outgoings and think about your financial needs and how they may change over time.

It's also sensible to think of how you feel about the effect of the downs as well as the ups in the investment markets. By buying the Plan, you can secure access to a regular retirement income that will be paid for the rest of your life, no matter what happens in the investment markets.

You should also be aware the Plan provides a fixed income and inflation will impact the spending power of the income in future. However, additional Plans can be purchased at a later date to alleviate the income of any inflation increases.

Remember, if your pension savings remain invested in your Flexi-access Drawdown Account you could continue to benefit from any potential future investment growth, and you might be able to take more income later in your retirement. On the other hand, your pension savings may decrease in value depending on how the investment markets behave, meaning you could have less money in your Plan, and you might even need to take a lower income.

**These are just some of the many things that your financial adviser can help you with when deciding on the best retirement income option for you.**

The case studies above are for illustrative purposes only and do not constitute advice.

# Key considerations for assessing the Plan (continued)



## Age

### How old you are impacts the amount of income you will receive

If you are younger, the money you use to purchase the Plan will need to last longer than someone who is older. Therefore, the amount of income you receive each month for each £1 used to purchase a Plan will be lower the younger you are.

### Example

Anne and Phil are both fit and healthy. Anne is 60 and Phil is 65. Both have £100,000 to buy a Guaranteed Lifetime Income plan. Anne may be able to get a gross income of £6,400 a year but Phil who is older may get £7,200. Based on age alone Phil could receive £800 more each year.



## Health

### Your health and lifestyle will also affect the amount of income you receive

By letting us know about your lifestyle and any medical conditions, it could help you receive a higher income. If you have certain medical conditions and lifestyle factors, such as smoking, high cholesterol or being overweight to more serious or life-threatening conditions, such as cancer or heart disease, you could receive a higher income.

### Example

Ella and Ariana are both aged 65. Ariana is fit and healthy, but Ella has Type 2 diabetes. Both have £100,000 each to buy the Guaranteed Lifetime Income plan. Ariana may be able to get £7,200 a year whilst Ella may get £7,800. Based on medical and lifestyle factors Ella could receive £600 more each year.



## Pension Savings

### The amount of pension savings you have will also affect the amount of income you could receive

The larger your pension savings for purchasing the Plan, the more income you will receive from the Plan.

### Example

Katherine and Clarissa are both aged 70 with the same health status and pension savings of £300,000 each. Their financial advisers recommend Katherine use £100,000 of her pension savings and Clarissa use £150,000 to purchase a Guaranteed Lifetime Income plan.

They both purchase the Plan on the same basis. Katherine could receive £8,000 each year, while Clarissa's purchase could give her an income of £12,000 each year. Based on the amounts used to purchase the Plan, Clarissa could receive £4,000 more each year.

The above scenarios are for illustrative purposes only and do not represent actual income. Please obtain a quote via your financial adviser to see the income you could receive.

# What else do I need to know?

It's entirely up to you when you decide to start receiving an income from the Plan if you're aged between 55 (rising to age 57 from 6 April 2028) and 85.

The Plan is guaranteed for the rest of your life but will stop when you die. The amount of income paid is fixed at the start of the Plan and will not change for the duration of your retirement – your financial adviser will discuss this with you during the setting up of the Plan.

Once the Plan has started, you won't be able to change or cancel after the first 32 days from the start date.

## Get the advice that will make a difference

There are lots of things to think about when choosing the Plan and the options it offers you. As the Plan is only available to purchase via a financial adviser on the Pension Account, you should seek expert advice to ensure you have a retirement plan that meets your needs.

Remember, from age 50, you can also get free impartial guidance from Pension Wise, a service from MoneyHelper. You'll find full details on page 14 of this brochure.

## The income you will receive

The income you receive will be based on your own personal circumstances which we will request during the application process. It is important to answer these questions as fully and accurately as possible to ensure you receive the best rate. These answers may be checked at a later date for audit and review.

Your income will be paid to FIL SIPP Trustee (UK) Limited (referred to as Fidelity Pension Trustee) of the Pension Account on the 15th of each month or the working day prior if the 15th is not a working day. There will be no Income Tax deducted as a result of the income payments into your Pension Account. If you withdraw money from the Product

Cash account into your chosen bank account, it will be liable to income tax. Your adviser will be able to provide you with more information on this. If you decide to leave money in the Product Cash account or reinvest it back into the Pension Account, you won't incur Income Tax.

Your income will not increase unless you purchase more Plans and will stop once you die.

## Pension statements and charges

Your pension provider, Fidelity, will supply regular statements, normally quarterly. These will include details of the income you've received, the money invested in your Flexi-access Drawdown Account and your Product Cash account balance.

Standard Life's charges are incorporated into the income you receive from the Plan, including the cost of any death benefit selected. The Plan does not facilitate any adviser fees. However, if agreed between you and your adviser, a fee may be facilitated from the Pension Account. The value of the Plan may also be used when calculating any Pension Account charge levied by your pension provider. Please speak to your financial adviser about this.

## Transferring your pension

If you need to transfer your Pension Account to another provider in the future that does not accept the Plan, you will need to convert it to a Standard Life Pension Annuity. This means you will lose the features that come with the Plan in the Pension Account, and will no longer be able to hold the Guaranteed Lifetime Income plan within your Flexi-access Drawdown Account. You can find out more in our **Guaranteed Lifetime Income plan Key Features Document and Product Detail Guide**.



## I'm interested – how do I find out more?

Please speak to your financial adviser.



# Helping you decide

From age 50, you can also get free impartial guidance from **Pension Wise**, a service from **MoneyHelper**.

Visit [moneyhelper.org.uk/pensionwise](https://moneyhelper.org.uk/pensionwise) or call 0800 138 39.

MoneyHelper guides are also available at [moneyhelper.org.uk](https://moneyhelper.org.uk)



## About Standard Life and Fidelity International

**The Plan is available via the Fidelity Pension Account.**

Standard Life is responsible for the creation, administration and the performance of the Plan.

**Fidelity have been appointed to provide access to the Plan via their Pension Account. The Plan will be held within the Flexi-access Drawdown Account and will pay monthly income into the Product Cash account.**

### Standard Life

Part of Phoenix Group

Standard Life has been trusted to look after the life savings and retirement needs of people like you for nearly 200 years. With some of the strongest financial credit ratings in the pension and investment industry, you can be confident your money will be with a company that's in it for the long run. Standard Life is part of Phoenix Group, a company which looks after over 12 million customers across the UK and Europe and has £289 billion assets under management<sup>1</sup>.

<sup>1</sup>Correct as of 30 June 2024.



Fidelity is a long-established adviser services business that offers a comprehensive range of investment and retirement products, wrappers, tools and services to financial advisers and their clients.

In addition to an extensive product range, the company helps advice firms run their businesses through the provision of superior technology solutions and cutting-edge tooling. These not only improve efficiency but enhance the client experience. Advised clients have full access to their accounts through a secure portal and highly-rated App.

In recognition of the quality of the platform's overall proposition, it has received numerous accolades and awards over recent years.

# Some useful terms and definitions

Some of the language used in financial services can be confusing – you may find these definitions useful when considering the Guaranteed Lifetime Income plan.

Term or definition	Description
<b>Bank Account</b>	This is your own chosen bank account where any withdrawals from your Product Cash account are paid to.
<b>Beneficiaries</b>	A person or persons entitled to receive any remaining value in your Pension Account when you die. A 'nominated' beneficiary is a person who is named in a plan, policy or a person's will to receive benefits.
<b>Conventional Annuity</b>	You can use your pension savings to get a lifelong, regular income to provide you with a guarantee that the income will last as long as you live.
<b>Financial Conduct Authority (FCA)</b>	An independent body that regulates the financial services industry within the UK. Visit the FCA website at <a href="https://www.fca.org.uk">fca.org.uk</a>
<b>Death benefit (Value Protection)</b>	When you take out the Guaranteed Lifetime Income plan you can also select a death benefit option (also known as Value Protection). This enables you to protect 100% of the purchase price of your Plan in the event of early death. It guarantees to pay the value of the purchase price of your Plan less any income you've already received upon death. This will be paid into your Product Cash account, then distributed by the Fidelity Pension Trustee to your nominated beneficiaries.



# Important information

The information here is not financial advice.  
If you're unsure, you should speak to your financial adviser.

Laws and tax rules may change in the future. Your own circumstances and where you live in the UK will also have an impact on tax treatment.

A pension plan is a long-term investment. Its value can go down as well as up and could be worth less than what was paid in.

**standardlife.co.uk**

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