

Sanlam Essential Income Plan

Terms and conditions

Introduction

The following pages set out the *Terms and conditions* (Terms) of your Sanlam Essential Income Plan.

Product Provider

- Sanlam and Sanlam Investments and Pensions are trading names for Sanlam Life & Pensions UK Ltd (SLP) and Sanlam Financial Services (UK) Ltd (SFS).
- SLP is authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority. The firm reference number is 110397.
- SFS is authorised and regulated by the Financial Conduct Authority. The firm reference number is 472783.

Your policy is provided by SLP and administered by SFS. Both companies will be referred to as Sanlam throughout the Terms.

Your Product

These Terms and the policy schedule issued at commencement when the policy is set up confirm that there is a contract between you as the person named as the 'investor' on the policy schedule and Sanlam. Any further changes will be amended by endorsement. You should keep these Terms with the original schedule in a safe place.

The Sanlam Essential Income Plan is an insurance contract which provides you during your lifetime and, where applicable, your beneficiary during their lifetime with regular income payments in exchange for the purchase price.

Your policy schedule will show whether your policy is:

- 1) a lifetime annuity purchased under the open market option. This means your current pension provider will pay any pension commencement lump sum (tax-free cash) required (or available) and then forward the remaining monies to Sanlam to purchase and set up an annuity; or

- 2) a pension held under the Sanlam Personal Retirement Scheme where all or part of your pension fund is transferred to Sanlam or is already held with Sanlam and Sanlam pay your pension commencement lump sum, with the remaining monies used to purchase and set up an annuity.

If your policy is a lifetime annuity then we will pay the pension income on the basis set out in these Terms and the policy schedule.

You can buy a lifetime annuity under the open market option with the proceeds of a pension policy or multiple pension policies but legislation requires us to set up separate annuities for each pension fund that provides annuity purchase money.

If your policy is held under the Sanlam Personal Retirement Scheme, we will pay the pension income in line with the scheme rules. If there is a difference between the conditions described in these Terms and the rules of the scheme, the rules will apply. You can ask us for a copy of the scheme rules.

The policy cannot be surrendered, assigned or commuted for a cash sum except in certain prescribed circumstances such as where a pension sharing order is made or where an order is made under the Proceeds of Crime Act 2002.

About these Terms

These Terms are based on our current understanding of pension tax legislation and HM Revenue & Customs (HMRC) practice. Tax rules and legislation may change. Please note that changes to taxation may be implemented retrospectively. If it becomes necessary to do so, Sanlam will amend these Terms to satisfy legislation, HMRC requirements or our administration process.

Further information and a full explanation about the tax legislation for registered pension schemes and HMRC practice and requirements can be found in the Pensions Tax Manual at www.gov.uk/hmrc-internal-manuals/pensions-tax-manual.

Reading and understanding the Terms

These Terms and conditions will help you understand your Sanlam Essential Income Plan and the benefits it provides, and it's important you read them. We are available to explain any words or talk through any questions you may have.

Sanlam Essential Income Plan can have a range of extra options, but not all options will be available in every case. The Terms detail the conditions applying to all options but these may not apply to your policy depending on the options selected at commencement.

Where can I get help?

If you have any queries please contact us at:

Sanlam
One Temple Quay,
1 Temple Back East,
Bristol, BS1 6DZ

0117 926 6366
clientservices@sanlam.co.uk

How do I complain?

If you have a complaint you can contact us at the address above. We will investigate your concerns and aim to resolve issues within eight weeks. If you are unsatisfied with our response then you can complain to:

Financial Ombudsman Service (FOS)
Exchange Tower
Harbour Exchange Square
London E14 9GE
0300 123 9123

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

The FOS provides an impartial service to resolve individual complaints about financial services companies. You also have access to the Money and Pensions Service and they may also be able to help you with your complaint. You can contact the Money and Pensions Service at:

The Money and Pensions Service
11 Belgrave Road
London SW1V 1RB

0800 011 3797
enquiries@pensionsadvisoryservice.org.uk

Client categorisation

Sanlam will treat you as a retail client. You will therefore benefit from the maximum consumer protection available under the FCA's rules.

Not all retail clients are eligible complainants under the Financial Ombudsman Service and you should seek further clarification from your financial adviser, where necessary. A private individual is classed as an eligible complainant.

What happens if things go wrong?

As a retail client you may be eligible to claim compensation from the Financial Services Compensation Scheme (FSCS) if Sanlam Life & Pensions UK Ltd (SLP) is declared in default and unable to meet liabilities to you. For long-term insurance contracts, such as your policy, the FSCS currently provide for 100% of the claim with no upper limit.

What happens if a bank holding client money on behalf of Sanlam Financial Services UK Ltd (SFS) goes into liquidation?

Money held in the SFS Designated Client Money Accounts is segregated from SFS' own funds, but will be pooled with money held on behalf of other SFS clients. This means that your money held by SFS will be held as part of a common pool of money, so you will not have a claim against a specific sum in a separate account; rather your rights will vest in the client money pool.

In the event of a bank failure the Designated Client Money Account is not pooled with any other type of client money account.

If a default by a bank occurs and a shortfall arises, your claim in relation to client money will be limited to a share of the money held in the Designated Client Money Account with the bank.

The banks we use are independent of us and we do not accept liability of any default or delay in the distribution of funds in the unlikely event that a bank fails.

Further information including details of the extent and level of cover are available on our website www.sanlam.co.uk or on request from our Group Head of Compliance, or from the FSCS website www.fscs.org.uk.

General Data Protection Regulation (GDPR)

GDPR is Europe's framework for data protection laws. GDPR regulates how we collect, process and use your personal data (any data that can be used to identify the person it belongs to). There are strict rules about what data we are allowed to collect and making sure the data is relevant for the purpose. Rules on processing include how long we store the data, how we modify it, and the methods we use to transfer it, such as encrypted email and blocking or deleting. You have a right to view the data we hold. This is called a data subject access request. You can make a data subject access request to obtain all data relating to you held with Sanlam.

Our regulator the Financial Conduct Authority (FCA) requires that we keep orderly records including details of all services and transactions.

In the course of providing our products and services, we will have received and will hold information from and about you. We are regarded as a data controller within the meaning of the applicable data protection laws including, but not limited to, the General Data Protection Regulation (Regulation EU 2016/679) which means we are responsible for deciding how we hold and use your personal data. A summary of the key aspects of our privacy statement is below. A full version of the Sanlam Privacy Statement is available on our website www.sanlam.co.uk.

If you would like a printed copy please write to Data Protection, Sanlam, One Temple Quay, 1 Temple Back East, Bristol, BS1 6DZ, email us at clientservices@sanlam.co.uk or call our Client Contact Team on 0117 926 6366.

It is important that you understand how we continue to use your personal data. The Sanlam Privacy Statement explains how we will use your personal data, which will usually be:

- to perform the contract we have entered into with you;
- to comply with a legal obligation;
- where it is necessary for our legitimate interests (or those of a third party) and your interests and fundamental rights do not override those interests;
- where we have obtained your explicit written consent to do so.

The Sanlam Privacy Statement also explains:

- the kind of personal data we may hold about you;
- how we may collect your personal data, including where we may receive it from third parties;
- when and why might we share your personal data with third parties including third party service providers, other Sanlam group companies and regulatory authorities;
- the conditions under which we transfer personal data outside the EU to ensure the ongoing security of your personal data;
- how long we will retain your information for, or the criteria we apply to determine any retention periods; and
- your rights in connection with personal data, including your right to complain.

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1. Definitions

Straightforward explanations of the key words and terms in this document.

Adviser: the financial adviser appointed by you, who may, where authorised to do so, provide advice or personal recommendations to you.

Adviser fee: if applicable, the separate fee agreed between you and your adviser which we may agree to facilitate payment on your behalf.

Annuitant: the person who receives the pension income from the policy.

Beneficiary: if applicable, the person you have elected to continue receiving pension income in the event of your death. This can be your spouse/civil partner, dependant, life partner or any other person who has an insurable interest.

Beneficiary income: if applicable, the beneficiary's income shown in the policy schedule. This will be expressed as a percentage of the pension income payable to the annuitant.

Commencement date: the date on which your policy is established.

Escalation date: if applicable, the date of the policy anniversary when the pension payment will increase by a factor selected at outset.

Guaranteed payment period: the period, if any, shown in the policy schedule starting on the policy issue date and for which your pension income is guaranteed to be paid. If you should die before the guaranteed payment period has expired, your pension income will continue to be paid until the end of this period.

HMRC: Her Majesty's Revenue & Customs.

Lifetime annuity: is a retirement income product that you buy with some or all of your pension pot and it guarantees a regular retirement income agreed at outset to be payable throughout the lifetime of the annuitant.

Nominated beneficiary: you can nominate a beneficiary to receive any balance of the guaranteed payment period. Where the annuity is held under the Sanlam Personal Retirement Scheme, the scheme administrator will take this nomination into account when paying any death benefits but is not bound by the nomination.

Open market option: when considering taking pension benefits, consumers have the option to shop around for retirement products and are not restricted to the options and/or products their current provider offers.

Open market option lifetime annuity: the current pension provider pays any available pension commencement lump sum (tax-free cash) as required and the remaining monies are sent to the lifetime annuity provider to provide a pension income throughout the lifetime of the annuitant.

Payment date: the 6th, 14th, 21st or 28th of every month when pension income can be paid. If such date is not a working day, payment will be made on the last working day preceding the payment date.

Pension income: the regular payments you will receive from your policy. The annual total of these payments is shown in the policy schedule. The figures shown in the policy schedule are the initial annual figures and could be subject to increases if the escalation option was selected at outset.

Pension Payment Period: the frequency specified in the policy schedule with which income payments are made.

Payments in advance are made at the start of each pension payment period.

Payments in arrears are made at the end of each pension payment period.

Policy: the policy evidenced by the policy schedule issued by Sanlam to the annuitant to which these policy Terms and conditions apply, together with any policy endorsements.

Policy documents: this *Terms and conditions* document and any amendments that relate to it, your policy schedule and any further endorsements issued in connection with your Sanlam Essential Income Plan. Where these documents are required to be produced they also include any information, or consents required from third parties.

Regulator: the Financial Conduct Authority (FCA), Prudential Regulation Authority (PRA) or any superseding or successor authority or equivalent supervisory body.

Retail Prices Index: a measure of change in the prices of goods and services in the UK as published by the Office of National Statistics.

Sanlam/Sanlam Investments and Pensions: the trading names of Sanlam Life & Pensions UK Limited (SLP) and Sanlam Financial Services UK Ltd (SFS), which we have referred to throughout these Terms as Sanlam, 'we' and 'us'. SLP is the product provider and SFS is the product administrator. Annuity purchase monies will be paid to SFS who will then pass them to the product provider SLP to purchase an annuity on your behalf.

2. The policy

How we will set up and operate your policy.

- 2.1 We can only accept pension funds from previously uncrystallised funds or drawdown pension funds to purchase your policy. We cannot accept a transfer from an existing lifetime annuity or business from a non-UK pension scheme.
- 2.2 Where you are purchasing the policy under the open market option, funds from different pension schemes cannot be combined and must be set up as separate annuities. Separate application forms for each pension provider you are taking benefits from must be completed.
- 2.3 Sanlam will issue the policy to the policy owner (the annuitant) and set the policy commencement date on receipt of the purchase monies and all necessary requirements to implement the policy have been met or if later, 30 days after receipt of your application form to allow for the cancellation period of reflection.
- 2.4 Where the fund originates from a trustee pension scheme with another pension provider, the policy will not be in the Trustee's name. We are not bound by the provisions of the pension scheme from which the funds derive. This means that the pension funds will no longer fall under the rules of your current pension scheme.
- 2.5 If your policy is held under the Sanlam Personal Retirement Scheme (the Scheme), if any of these Terms and policy schedule conflict with any rules of the Sanlam Personal Retirement Scheme, the rules of the Scheme will apply.
- 2.6 For a joint life policy, the second life must have an insurable interest. To have an insurable interest, the person would suffer a financial loss in the event of your death.
- 2.7 The policy will be issued to the annuitant under the terms of chapter 4 of the Finance Act 2004 (and any future changes to or replacement of this Act).
- 2.8 This contract is intended to form part of our pension business as defined under section 58 of the Finance Act 2012, and is part of our 'long term business' as described in part II of Schedule 1 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 as amended. If for any reason the contract fails to continue to be pension business, then the contract will be amended or substituted as necessary in order to put the contract back into the intended position.
- 2.9 Payment of the purchase price must be in sterling and all amounts due to or from us under the annuity policy are paid in sterling.
- 2.10 We will pay the pension income from the policy to the annuitant or his or her beneficiary where applicable in line with the policy provisions and subject to the Terms set out in this booklet.
- 2.11 The annuitant and any other person entitled to receive pension income under the policy must, on request, confirm in writing whether they have received the pension income. Written confirmation that such benefit has been received will be sufficient proof that we have met our responsibilities to pay all monies due.
- 2.12 We may ask at any time for written proof that you or your beneficiary if applicable is still alive and entitled to receive payment. No further payment will be made until we receive proof that is satisfactory to us.
- 2.13 Your pension income is guaranteed and cannot fall as a result of adverse investment conditions.

Cancellation rights

- 2.14 When you apply for your policy, you have 30 days from the date we receive the application form to change your mind. If you wish to cancel your application, you must confirm in writing or complete the cancellation form which we will send to you when we receive your application. Our contact details are on the cancellation notice.
- 2.15 This 30 day period may expire before your purchase money has been transferred to us and before your policy has started to be paid.

- 2.16 If you do not take this opportunity to cancel, your policy will continue with us and we will pay you an income. If you decide to cancel within the 30 days, we will make every effort to return the full amount of the original payment to the original source. They may not accept the return of this payment. If they won't, you can either arrange to buy your policy with another provider and we will forward the monies to them or your policy with us will continue.

3. Your pension income

How your pension income will be paid

When we will pay your pension income

- 3.1 We will pay the pension income every month, quarterly, half-yearly or annually as agreed with you from the policy commencement date until your death. The period between pension income payments is called the pension payment period.
- 3.2 If we pay the pension income in advance (for the pension payment period ahead) we will pay the first instalment on the nearest pension payment date from the commencement of the annuity or the pension payment date specified by you within the application after the commencement date of the policy.
- 3.3 If we pay the pension income in arrears (for the pension payment period just passed), we will pay the first instalment at the end of the pension payment period on the nearest pension payment date or the pension payment date specified by you within the application, or as soon as practicable after that date.
- 3.4 The pension payment dates currently available are the 6th, 14th, 21st and 28th of the month. It is not possible to choose an alternative date. If the date when your pension income is due is not a working day we will make the payment on the last working day before the payment due date.
- 3.5 Before paying the pension income, we will deduct tax at the appropriate rate using the Pay As You Earn (PAYE) system. We will account for the tax we deduct and pass it on to HMRC. If we don't know your tax code we will deduct tax at the emergency rate until HMRC notify us of your tax code. We will send you a payslip on your initial pension income payment and subsequent payslips will only be sent when there is a change in the pension income amount or tax code. After the end of the tax year, a P60 will be sent detailing total income for the tax year will be sent by 31 May.

3.6 We will pay the pension income directly into your nominated UK bank account either in your sole name or a joint account in which you are named as one of the account holders.

3.7 This policy guarantees to continue paying your pension income for the rest of your life time. Unless your chosen options enable further income to be paid after your death, all payments will stop when you die.

Increases in pension income

3.8 Where requested within the application form, pension income will increase every year. If chosen, each increase will be a fixed percentage with the first increase made on the anniversary of the policy commencement date and further increases will be made on each following anniversary. Increases will be compounded. This means that each increase will be based on the total pension income including any previous increases.

Pension sharing order

3.9 If your policy is made the subject of a pension sharing order following divorce or dissolution of a civil partnership, the amount we pay may be reduced accordingly and the difference paid to your former husband, wife or civil partner. Your former husband, wife or civil partner will lose their entitlement to a beneficiary's income unless any joint life annuity is set up on a named basis in which case it will continue to be paid.

Evidence of entitlement

3.10 Before we pay any pension income, we will need to see satisfactory evidence that you are still alive. We may write to you periodically to confirm that this is the case.

4. Adviser fee

How we will pay any adviser fee if required under the open market option.

Payments to your adviser

- 4.1 Where your adviser has provided advice to you in respect of your lifetime annuity purchase we may agree to facilitate the payment of the adviser fee to your adviser on your behalf. We will only facilitate the payment of an adviser fee as indicated in the application form or in accordance with any other instructions which you may provide to us in writing.
- 4.2 Where you have indicated you would like us to facilitate the payment of an adviser fee, we will separate out the amount for the payment of the adviser fee from the purchase monies received by us to be invested in the lifetime annuity and it will be deducted from the open market option total purchase monies before it is applied to the policy.
- Any adviser fee cannot be paid from a pension held under the Sanlam Personal Retirement Scheme. This facility is only available when purchasing an annuity under the open market option.
- 4.3 We will pay the adviser fee to your adviser on or just after the policy commencement date.
- 4.4 The adviser fee can be a fixed amount or a % of the total purchase value. The adviser fee is a matter between you and your adviser. Sanlam will not assess the suitability or the amount of adviser charge that you have agreed to pay.
- 4.5 In exceptional circumstances, if we allow you to cancel your policy after the policy commencement start date and have used part of your total purchase monies to pay an adviser fee, we will reclaim the adviser fee from your adviser and return the total monies where possible to your original provider. Your financial adviser may then ask you to pay for the services they have provided using another method.
- 4.6 Your adviser will have disclosed to you the total charges that relate to the advice that they gave you to purchase your lifetime annuity. Sanlam accepts no responsibility whatsoever for the suitability of any advice or personal recommendations which your adviser may provide.

5. Death

What happens if you die.

- 5.1 This policy guarantees to continue paying your pension income for the rest of your life time. Unless your chosen options enable further income to be paid after your death, all payments will stop when you die.
- 5.2 Your last pension income payment will be the payment preceding or on the day of your death. We will not pay a proportionate payment for the pension payment period between the last pension income payment and the date of death.
- 5.3 If there are any outstanding pension income payments that should have been paid to you whilst you were alive and the annuity is not held under the Sanlam Personal Retirement Scheme, we will pay your nominated beneficiary(ies). If we are unable to pay your nominated beneficiary(ies), the outstanding pension income will be payable to your estate and this may be liable to inheritance tax.
- 5.4 If there are any outstanding pension income payments that should have been paid to you whilst you were alive and the annuity is held under the Sanlam Personal Retirement Scheme, we will use our discretion taking into account your nominated beneficiary to determine who the pension income payments will be paid to. If we are unable to determine a beneficiary(ies), the outstanding pension income will be payable to your estate and this may be liable to inheritance tax.
- 5.5 Certain documents will be required before paying any outstanding pension income to your beneficiary(ies) or estate. These can include your policy schedule, proof of your death, and where necessary, proof of identity and bank payment details of your beneficiary(ies), legal personal representative(s) or executor(s).
- 5.6 Any outstanding pension income will normally be paid tax free if you die before reaching age 75 and it is paid within two years of notification of your date of death. Where you die after the age of 75, it will be taxed at the beneficiary's marginal rate of income tax or 45% tax deducted where paid to the legal personal representative(s).
- 5.7 We may reclaim any overpayments of pension income and will ask your legal personal representative(s) of your estate for the return of this money, if it is required.
- 5.8 When the pension income ceases, under the terms of the policy, Sanlam has no further liability. This will not prevent your legal personal representative(s) or beneficiary from bringing a claim against us, in the event that any act or omission by us is established.

Payments after you die

Your policy schedule will show if any of the following payments will be made:

Guaranteed payment period

- 5.9 Your policy schedule will set out any guaranteed payment period you have chosen. If you die during this period, we will continue to pay instalments of the pension income of your policy. For example, if you have a 10 year guaranteed payment period and die after 6 years and 4 months, we will continue to pay 100% of your pension income for a further 3 years and 8 months.
- 5.10 You should nominate a beneficiary and keep this nomination up to date.
- 5.11 Where the annuity is not held under the Sanlam Personal Retirement Scheme, and guaranteed payment period payments are due, we will pay your nominated beneficiary(ies). If we are unable to pay your nominated beneficiary(ies), the outstanding pension income will be payable to your estate and this may be liable to inheritance tax.

- 5.12 If the annuity is held under the Sanlam Personal Retirement Scheme, we will use our discretion taking into account your nominated beneficiary to determine who the guaranteed payment period payments will be paid to. If we are unable to determine a beneficiary(ies), the outstanding pension income will be payable to your estate and this may be liable to inheritance tax.
- 5.13 Any guaranteed pension income will normally be paid tax free if you die before reaching age 75 and it is paid within two years of notification of your date of death. If you die after the age of 75, it will be taxed at the beneficiary's marginal rate of income tax or 45% tax deducted where payable to the legal personal representative(s).
- 5.14 Certain documents will be required before paying any outstanding guaranteed pension income to your beneficiary or estate. These can include your policy schedule, proof of your death, and where necessary, proof of identity and bank payment details of your beneficiary, legal personal representative(s) or executor(s).
- Beneficiary income (joint life annuity)**
- 5.15 If there is a named beneficiary on the policy schedule, then in the event of your death, the beneficiary pension income will be payable provided your beneficiary has not died before you and any guaranteed period has expired.
- 5.16 There is no overlap between the guaranteed payment period and the beneficiary income. Therefore, if you die within the guaranteed payment period, your pension income will remain at the same level until the expiry of the guaranteed payment period before reverting to the rate at which the beneficiary income is payable.
- 5.17 The amount of the beneficiary income will be a percentage of your pension income, as set out in the application to us. The beneficiary income will be paid on a named basis i.e. the spouse, civil partner, life partner, or dependant detailed in the application form and not the spouse, civil partner, life partner or dependant at the time of your death. To be clear, we will not pay any beneficiary income to any person other than the named joint life in the application made to us.
- 5.18 Before we pay income to a beneficiary after your death, we must see satisfactory evidence that the beneficiary is still alive. We will also need satisfactory evidence of the beneficiary's age and your marriage to or registered civil partnership with that person or that the beneficiary was financially dependent on you.
- 5.19 Certain documents will be required before commencing the beneficiary pension. These can include proof of your death, our form of authority and where necessary, proof of age, identity and bank payment details of your beneficiary.
- 5.20 The beneficiary income will continue to be paid for the rest of their life at the same frequency as your pension income and with any agreed percentage reduction of income as stated in the application form applied and in accordance with these Terms. The final instalment of the beneficiary income is that payable on the pension payment date immediately before the death of your beneficiary. This payment will not be proportioned for the period between the last payment and the date of death of your beneficiary.
- 5.21 Where requested within the application form, beneficiary income will increase every year. If chosen, each increase will be a fixed percentage and made on the anniversary of the policy commencement date. Increases will be compounded. This means that each increase will be based on the total pension income including any previous increases.
- 5.22 While paying any beneficiary income, we will need to see satisfactory evidence that the beneficiary is still alive from time to time. We may write to them periodically to confirm that this is the case.
- 5.23 If any overpayment of beneficiary income is made after the death of the beneficiary, their estate will be required to return any such payment to us.
- 5.24 When the beneficiary income ceases, under the terms of the policy, Sanlam has no further liability. This will not prevent their legal personal representative(s) from bringing a claim against us, in the event that any act or omission by us is established.

6. General

Terms that you should be aware of and are not covered in any other section.

- 6.1 Certain procedures and forms are used when any change to your pension income payment is to be made. Forms and any other documents which we may require must be sent to our head office unless we ask you to do otherwise. We will only make changes and payments when all our requirements have been met and our normal procedures have been completed.
- 6.2 All notices and communications to us must be in writing and sent to us by post, unless we state in the relevant policy condition or at the time of the communication that another form of communication such as email is also acceptable to us.
- 6.3 Where we receive an instruction in respect of any aspect of your policy which is unclear or ambiguous we will contact you. We reserve the right to take no action until we have received clarification from you.
- 6.4 We require certain information from you before your policy commences. This information is usually provided in the application form, and it determines the amount of pension income payable.
- The information which is used for this purpose includes, but is not limited to, your date of birth, marital or civil partnership status and similar information regarding any beneficiary to whom an income might become payable. In some cases, medical and other personal information may be required and relevant.
- 6.5 If your date of birth or the date of birth of any other person who becomes entitled to pension income under your policy is incorrectly stated at any time, the pension income will be adjusted so as to reflect your correct date of birth or the correct date of birth of that other person, as given in the original evidence of the date of birth for you or that other person.
- 6.6 If you fail to take reasonable care when completing the application and as a result information which we have asked for is not notified to us until after the pension commences, we will adjust the pension income to the amount which would have been payable had the correct information been notified originally. Also, an additional adjustment will be made in respect of the period between the policy commencement date and the date of amendment. If the result of the adjustment described is that the amount of pension income is reduced, you will be required to return any overpayment as soon as possible.
- 6.7 Alternatively if we would not have entered into the policy at all we may cancel the policy and cease payments. You will need to return any payments that have been made.
- 6.8 If any pension income is paid to any person and it later becomes apparent that the pension income was not due to that person, the person to whom it was paid will be required to return any such payment as soon as possible unless we agree it would not be reasonable to return any such payment. If we make any payments to you or anyone else who is not legally entitled to receive them, we have the right to recover the full amount.
- 6.9 We may decline to act on any instruction or communication from you if we reasonably believe that to do so would give rise to a breach of law or HMRC practice, and we will advise you within a reasonable timescale if we believe this to be the case.
- 6.10 For your own protection and for our own training purposes, telephone calls may be recorded. We may telephone you to discuss your policy at a reasonable time of day without an express invitation from you to do so.
- 6.11 You must give us any information we reasonably request to be able to provide services for your policy, such as notifying us of any postal address changes.

Cashing in or assigning the policy

- 6.12 Circumstances under which the policy can be partly or wholly surrendered or assigned can include:
- pension sharing on divorce or dissolution of a registered civil partnership under the Welfare Reform and Pensions Act 1999;
 - orders made under the Proceeds of Crime Act 2002.
- 6.13 The pension income provided by the policy cannot be assigned to anyone else, cashed in or exchanged for a lump sum. The policy has no surrender value at any time.

What happens to my cash?

- 6.14 Before your annuity is purchased, any money will be held in the SFS Designated Client Money Account and as client money in accordance with the FCA's rules.
- 6.15 In certain circumstances, SFS may hold money for you, which has been allocated to you but has not been claimed by you. SFS reserves the right to cease treating unclaimed monies as client money under the FCA's rules provided SFS have taken the appropriate steps (as defined by the FCA) to trace and return such monies to you.
- 6.16 Provided the steps outlined by the FCA have been taken and we continue to act reasonably and fairly, we may pay such monies to a registered charity. You should note that we undertake to make good any valid claim against monies that were released from being treated as client money, upon the provision by you of information to evidence the validity of any claim.

- 6.17 You agree that SFS may transfer any client money it holds for you to another firm (whether within the same corporate group or not) as part of transferring all or part of its business to that firm (for example, if SFS is involved in a group reorganisation or another person is acquiring all or part of its business) and that we do not need to obtain a separate additional consent from you in advance of the transfer to the recipient firm provided we have put arrangements in place for the transfer in accordance with the FCA's rules, including ensuring that:

- (a) the client money being transferred relates to the business being transferred;
- (b) the firm to whom we transfer your client money will be required to return your client money held with them as soon as practicable on your request; and
- (c) the firm to which we have transferred your client money will hold it in accordance with the FCA's client money rules (in so far as they apply to that firm) until they return your client money or, if the FCA's client money rules do not apply to that person, that SFS will take appropriate steps to satisfy itself that appropriate measures will be put in place to protect your client money until it is returned.

Rights of Third Parties

- 6.18 Sanlam and the policy owner can enforce the Terms of the policy. Nothing in the policy expressly or implied confers any right on any third party to enforce any of its provisions under the Contracts (Rights of Third Parties) Act 1999. For the purpose of this section, a third party is any party not already mentioned in this paragraph.
- 6.19 Neither you nor your beneficiary will be entitled to receive an unauthorised payment as defined in the Finance Act 2004 under this policy.

7. Changes to these Terms

When and how we will amend these Terms.

- 7.1 We can amend any of the Terms on which we provide our services to you or in respect of your policy by giving you at least 30 days' written notice, unless shorter notice is required in order for us to comply with applicable laws and/or the regulator's rules or to simplify our administration.
- 7.2 We can transfer our rights under these Terms pursuant to a transfer of insurance business under Part VII of the Financial Services and Markets Act 2000 to any associate (as defined in the regulator's rules) and arrange on your behalf for it to assume our obligations to you so long as the associate is appropriately authorised and is bound by the regulator's rules of conduct in the context of investment business. We will advise you in advance if this happens and let you know the name of the associate. These Terms will apply to the provision of services by the associate as if it were a party to these Terms.

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2077/05.2020