

# Key features of the Personal **Investment** Plan for **Growth**

For plans set up from 25 January 2010

Provided by **St Andrew's Life Assurance plc (St Andrew's Life)**

## **Important information**

Before you decide to invest in this plan, you should be comfortable that you understand what you are buying.

The Financial Services Authority is the independent financial services regulator. It requires us, St Andrew's Life Assurance plc, to give you this important information to help you to decide whether our Personal Investment Plan for Growth is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference. If you have any questions, please don't hesitate to contact us.

# Key features of the Personal Investment Plan for Growth

## Its aims

- To help the value of your money to grow over time.

## Your commitment

- You invest a lump sum of at least £3,000 which you can do by cheque or transfer of funds from a suitable Halifax account and/or
- You invest a regular payment of at least £250 a month, which you pay by direct debit.
- You can keep your plan as long as you want, but you should be prepared to invest for at least five years.

## Risks

- The value of your investment can go up and down as a result of stock market and currency movements, and you may get back less than you invested.
- When you cash in your plan, you may get back less than the amount shown on the illustration because:
  - your investments grow less than illustrated
  - you take money out
  - tax rules change
  - our charges increase.
- If you use your right to cancel your plan within the first 30 days and the value of your investment has fallen, you will get back less than the amount you paid in.
- If you decide to cash in all or part of your plan we have the right to delay making payment if there is a delay in cashing in the investments within the plan. For most funds this can be up to one month. However, for the Property Fund, we can delay for up to six months.

## Questions and answers

### What is the Personal Investment Plan for Growth?

- An investment plan that provides some life cover.

### How flexible is it?

- You can add lump sums of £250 or more to your plan at any time.
- You can leave your money invested until you need it because there is no fixed term to your plan.
- You can switch your money between the available investment funds. We currently don't charge for this, but may do in the future.
- You can choose to take regular withdrawals, one-off withdrawals or both (but see 'Early withdrawal charges' on page 3).
- It can be held in one or two names.

### What might I get back?

- You will get back the plan value when you decide to cash it in. This amount isn't guaranteed and will depend on:
  - the amount invested
  - the length of time it's invested
  - the investment performance of the fund(s)
  - our charges, including any early withdrawal charges
  - the amount of any withdrawals taken
  - any loyalty bonus which may be added to your plan.
- You may get back less than you invested.
- The illustration of benefits will give you an idea of what you could get back.

## Where is my money invested?

- You can invest in a range of Halifax unit-linked investment funds. Each fund invests in different assets, for example stocks and shares, bonds and property. See the booklet called 'Halifax Unit Linked Funds' for information on the funds.
- The funds are split into units and the price of these units depends on the value of the assets the fund invests in. If the price of the units goes up or down, then so will the value of your plan.
- The money you pay into your Personal Investment Plan for Growth is used to buy units in the fund or funds you select, although you don't own the units or the investments that make them up – each unit is an equal share of the fund.
- The funds bear the costs of buying and selling investments and these costs are included in the unit price.
- If you invest in the High Income Fund, we take charges from the capital rather than the income which will reduce the growth potential of your investments.
- We may sometimes adjust the value of your plan or our fund to make sure it correctly represents the total value of the assets it's invested in. This is called a dilution adjustment.
- Income received from the investments is added into the funds, which will increase the value of your units.
- We normally value units at 12 noon each working day. If you ask us to put money in or take money out for you, we'll buy or sell your units at the prices which apply at the next valuation after we receive your instructions at our administration unit. This will normally be the valuation on the second working day after your meeting with your Client Manager.
- This key features doesn't cover the Managed Income Fund. If you wish to invest in, or switch into, the Managed Income Fund, please see the separate key features for this fund.

## Can I switch funds?

- You can switch between funds and we currently don't charge for this.
- If we get your switch request at our administration unit before 5pm on any working day, the switch will be based on the unit prices that apply at the valuation on the next working day. If we get your request after 5pm, the switch will not be based on the next working day's valuation, but will be based on the valuation on the working day after that.

## What are the charges?

- There is no initial charge.
- There is a yearly management charge of 1.4% of the value of your investment in each fund.
- There is an additional yearly management charge on top of the 1.4% if you invest in funds managed by independent fund managers. This varies between funds but the total charge won't be more than 1.75% of the value of your investment in the fund. For the charge applying to each fund, see our booklet 'Halifax Unit Linked Funds'.
- If you've paid a total of £30,000 or more into your plan we may reduce the yearly management charge (see below).
- You don't have to pay the yearly management charges directly – we take them into account when we calculate the unit prices each day.

### Reduction in yearly management charges

Depending on the total amount you've paid into your plan, we may reduce your yearly management charge as shown in the table below. These reductions aren't guaranteed and may change in future.

The yearly management charge is included in the price of the units in each fund. So, at the end of each calendar year (or when you close your plan), we'll work out the actual yearly management charge you should have paid in that year, based on the amount you've paid in since your plan started. We'll then add extra units to your plan, which has the effect of reducing the management charge.

Total paid into plan to date	Reduction in yearly management charge
Up to £29,999	0.00%
£30,000 – £124,999	0.15%
£125,000 – £499,999	0.40%
£500,000 and over	0.60%

## Early withdrawal charges

If you take all or part of your money out of the plan in the first five years, you'll have to pay an early withdrawal charge on the amount taken out unless one of the following applies:

- Your adviser has recommended that you transfer all or part of your investment to another investment plan provided by HBOS Investment Fund Managers Limited or St Andrew's Life Assurance plc.
- In each plan year (which runs from the plan start date for the first year or its anniversary for subsequent years) you only take regular withdrawals of up to 7.5% of the total amount you have invested. Any amounts you take out above this limit would be subject to early withdrawal charges.
- You exercise your right to cancel your plan within the first 30 days.

## Withdrawing part of your money

If you withdraw part of your money in the first five years, you'll receive the whole of the amount you ask to withdraw, because we won't take the charge from the amount we pay you – instead, we'll include it in the total amount taken from your plan:

amount you ask for + early withdrawal charge = total amount taken from your plan.

The charge is a percentage of the total amount taken from your plan, worked out as shown in the table below.

Years you have held your plan	Early withdrawal charge as a percentage of total amount taken from your plan	How we work out the total amount taken from your plan
Up to 1	5%	Amount you ask for divided by 95%
1 to 2	4%	Amount you ask for divided by 96%
2 to 3	3%	Amount you ask for divided by 97%
3 to 4	2%	Amount you ask for divided by 98%
4 to 5	1%	Amount you ask for divided by 99%
5 or more	no charge	–

The following examples show how this works:

You ask to withdraw	In year	Amount taken from your plan	Amount you receive	Amount of early withdrawal charge
£10,000	1	$£10,000/95\% = £10,526.32$	£10,000	£526.32
£10,000	3 to 4	$£10,000/98\% = £10,204.08$	£10,000	£204.08

## Closing your plan

If you want to take out all your money and close your plan in the first five years, the early withdrawal charge will be taken from the total plan value. This means that the amount you receive will be reduced by the amount of the charge, as shown in the table below.

Years you have held your plan	Early withdrawal charge as a percentage of plan value
Up to 1	5%
1 to 2	4%
2 to 3	3%
3 to 4	2%
4 to 5	1%
5 or more	no charge

## Will I get a loyalty bonus?

Depending on how long you invest in the plan you may be eligible to receive a loyalty bonus. This is created by adding units to your plan. Each loyalty bonus is calculated based on a percentage of the average value of the plan over the loyalty bonus period as follows:

Loyalty bonus due date	Percentage of average plan value used to calculate the bonus units added
5th plan anniversary	0.5% of the average plan value up to the 5th plan anniversary
10th plan anniversary	0.75% of the average plan value between the 5th and 10th plan anniversaries
15th plan anniversary	1% of the average plan value between the 10th and 15th plan anniversaries

## Can I take money out?

- You can take regular or one-off withdrawals at any time – but these will reduce the value of your Personal Investment Plan for Growth, and may reduce the value of any loyalty bonus that may be added to your plan.

- If you take a withdrawal within five years of your plan's start date, you might have to pay an early withdrawal charge.
- You can take regular withdrawals from your plan every month, every half-year or every year, paid by direct credit to your bank account.
- The minimum amounts you can choose for regular withdrawals are £50 a month, £250 a half year or £500 a year.
- One-off withdrawals must be at least £100.
- You'll need to leave at least £100 in your plan after the withdrawal, otherwise we will close it, cashing in the remaining units and paying you the proceeds.
- You can cash in your whole plan at any time.
- If you cash in your whole plan before a loyalty bonus is due, you won't receive the loyalty bonus.
- When you do need to take money from your plan, it's important you have all the information you need to avoid unnecessarily losing any of the plan benefits or paying extra tax. Please call us on **0870 901 01 37** and we'll send you an information pack along with a form to complete and return to us.
- We'll process your request within five working days and pay the money by direct credit to your bank account, which can take up to four working days to arrive.

## What happens to my Personal Investment Plan for Growth if I die?

- If your life is the only life covered, we'll pay out the benefits of the plan to your estate. If the plan is written under trust, the payment will be made to the trustees.
- If two lives are covered, when you apply to set up your plan you can choose whether the plan ends on the first or second death.
- The amount we pay will be the value of your plan at the next valuation point after our administration unit receives official notification of death; plus any loyalty bonus due up to the day before we receive notification.
- If you die (or where there are two lives covered, the first or last person dies, depending on how the plan was set up) as a direct result of an accident, we will increase the death benefit we pay to 110% of the value of your plan plus any loyalty bonus due.
- Your plan conditions will give you full details of the increased death benefit on accidental death, including the exclusions that apply.

- If you're the owner of the plan but not the person whose life is covered, and you die, the plan will continue and ownership will pass to the person entitled to it.

## What about tax?

- We have to pay tax on the income and capital gains from the assets the funds invest in, and this is reflected in the value of the funds.
- This means that if you're a basic rate taxpayer there's no further tax for you to pay when you cash in your plan or take withdrawals, unless the gain you've made takes you into the higher rate tax band.
- If you're a higher rate taxpayer, or any gains make you a higher rate taxpayer, when you:
  - cash in your plan, or
  - withdraw more than 5% a year of the total amount you've paid in to your plan

you'll have to pay tax on the gain you've made at the difference between basic and higher rate income tax.

- If you're a non-taxpayer, you can't reclaim the tax we've paid.
- If you're the life covered and you die, the value of the plan may be included in your estate for inheritance tax. If you're a higher rate taxpayer any gain will be taxable at 20% income tax.
- If you might want to claim age-related personal allowances, tax credits, pension credits or social security benefits, please be aware that this plan could affect your entitlement to them.
- If you want the plan to be in trust, you should speak to an adviser as different tax rules apply.
- If you're using the Personal Investment Plan to help you with inheritance tax planning you should get advice from your Bank of Scotland Investment Service Client Manager.
- This is only a summary and the tax you have to pay depends on your personal circumstances. Speak to your adviser about tax rules if the plan is under trust. Tax rules may change in future.

## Can I change my mind?

- When your plan is set up, you will receive a notice of your cancellation rights. You then have 30 days to change your mind. If you decide that you don't want the Personal Investment Plan for Growth you have bought, please sign and return the notice within this period.

- If you've invested a lump sum, we'll give you your money back less any fall in the investment value. If you've chosen to make additional regular monthly payments we'll return any payments made.

## How will I know how my plan is doing?

- We'll send you a statement each year showing the number of units you bought with your investment and the total value of your plan.
- You can get details of the unit price from our helpline on **0870 901 0137** or on our website **[www.bankofscotland.co.uk/privateclients](http://www.bankofscotland.co.uk/privateclients)**.
- You can ask for a plan value at any time by telephoning or by writing to us. See 'How to contact us'.

## How to contact us

If you have received advice, please ask your Client Manager if there's anything you don't understand.

You can also contact our administration unit to make additional investments, fund switches, withdrawals or to cash in the plan at:

Halifax Financial Services  
 PO Box 10  
 Walton Street  
 Aylesbury  
 Bucks HP21 7GD.  
 Telephone: **0870 901 0137**

The lines are open from 8am to 6pm Monday to Friday and from 9am to 1pm on Saturday. Your call may be recorded for quality and training purposes.

## Other information

This plan can be sold with and without advice. If you did not receive advice on this product, you made your own decision as to its suitability for you, based on the information given.

### How to complain

We want you to be entirely happy with the high quality service we aim to provide. However, if you are not completely satisfied with any part of our service, please let us know. You can make your complaint direct to:

Customer Relations  
St Andrew's Life Assurance plc  
Trinity Road  
Halifax HX1 2RG

If your complaint is not dealt with to your satisfaction you can complain to:

Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London E14 9SR  
Telephone: **0845 080 1800**

Making a complaint will not affect your right to take legal action.

### Terms and conditions

This booklet is a summary of the key features of the plan. You will find full details of the plan in the plan conditions which are evidence of the contract between you and us. We can change the plan conditions, but we will advise you in writing before we do this. You can get a copy of the plan conditions by telephoning or by writing to us. See 'How to contact us'.

### Law

This plan is governed by English law and any dispute will be dealt with by the English courts. The plan conditions for the Personal Investment Plan for Growth and any further communications are provided in English.

### Conflict of interest policy

If we face a conflict of interest with customers or have a material interest that could conflict with their interest, we have internal procedures in place to ensure fair treatment for our customers.

## Financial Services Compensation Scheme (FSCS)

We are covered by the FSCS. You may be entitled to compensation from the FSCS if we cannot meet our obligations. This depends on the type of business, the circumstances of the claim and the date of the failure. The Personal Investment Plan for Growth is classified as 'long-term insurance'. The FSCS may arrange to transfer your policy to another insurer, provide a new policy or, if these actions are not possible, pay you compensation of 90% of your claim.

Further information about compensation scheme arrangements is available from the FSCS at 7th Floor, Lloyds Chambers, Portsoken Street, London E1 8BN. Telephone: **(020) 7892 7300**. Website: **[www.fscs.org.uk](http://www.fscs.org.uk)**.

### St Andrew's Life

St Andrew's Life Assurance plc, Register Number 189101, is entered on the Financial Services Authority's Register. All information, limits and charges are correct at the date of printing (January 2010) but may change in the future.

St Andrew's Life Assurance plc is incorporated in England. Its Head Office address is:

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We are committed to meeting the needs of all our customers. If you have a hearing or speech impairment, you can use Typetalk whenever you contact us, or contact us using Textphone on 0845 732 3436 (lines open 9am to 5pm, 7 days a week). For the visually impaired, we can provide documents in large print, Braille or on audio cassette. Please speak to a member of staff.

LOOK AT THINGS DIFFERENTLY  
 **BANK OF SCOTLAND**

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Registered Offices: Trinity Road, Halifax, West Yorkshire HX1 2RG.

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We may record telephone calls so that we have a record of what was said and for monitoring purposes.

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