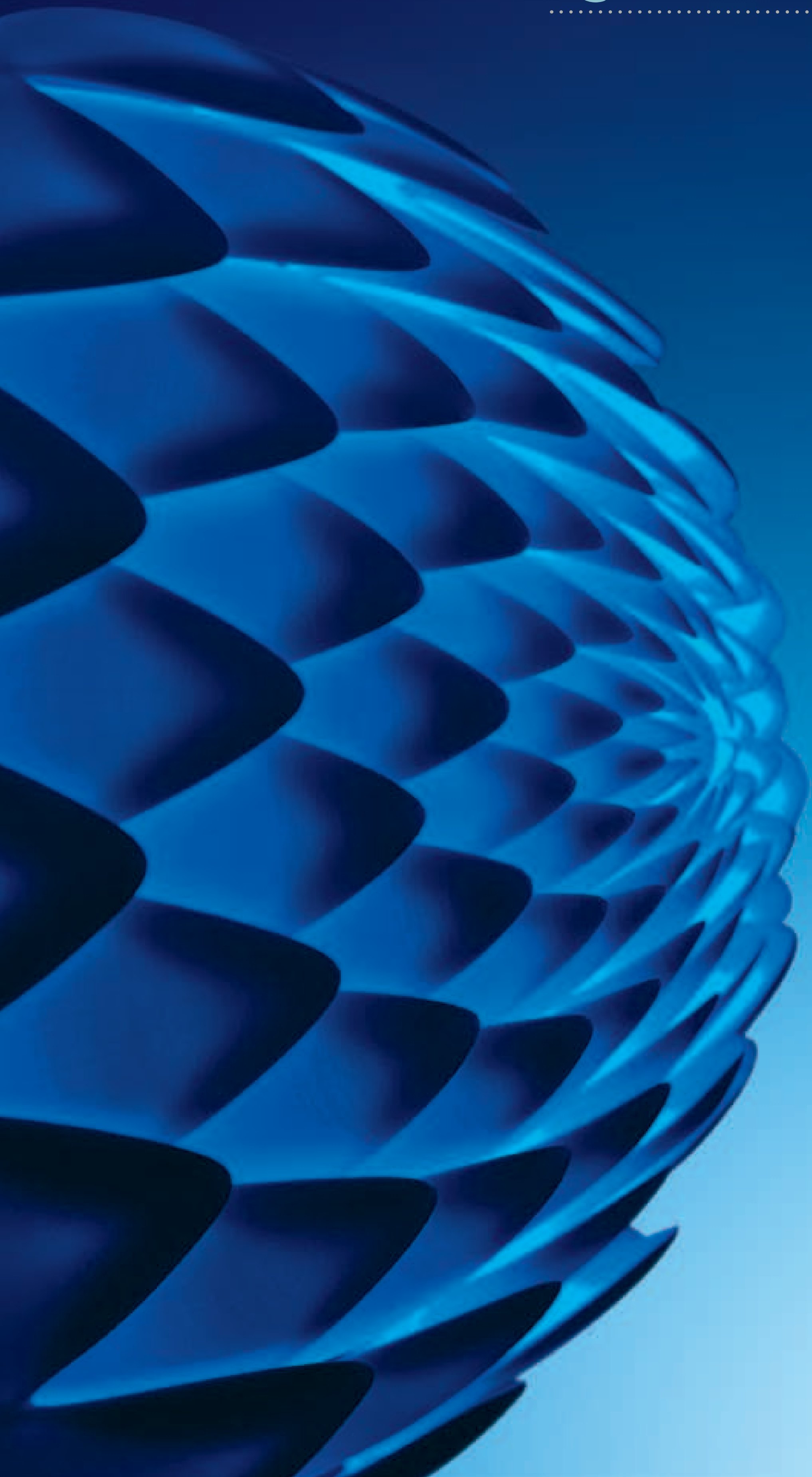
Retirement / Family Suntrust

Quick Guide



AXA WEALTH

redefining / standards

Family Suntrust is all about giving you more flexibility in retirement planning.

Family Suntrust allows groups such as families or business partners to set up their very own self-invested personal pension scheme ('the Scheme'). You invest together, deciding on a common approach, and can take advantage of a range of investment options and benefit solutions. The minimum combined investment is £200,000.

This 'quick guide' summarises the Family Suntrust's features and potential benefits. It answers some basic questions about how the Scheme works and gives you an overview of the investments available and your income choices.

You can find further information in the following items which are available from the Financial Adviser:

- Family Suntrust – Detailed guide
- Family Suntrust – Terms and Conditions
- Family Suntrust – Guide to fees

WHY CHOOSE FAMILY SUNTRUST?

Family Suntrust can provide a tax efficient way to invest with others in a range of investments managed as one portfolio (the 'Pooled Fund'). Pooling together like this can increase the range of investments you can make.

It also gives you a number of choices when the time comes to take your benefits. These run from a relatively straightforward Lifetime Annuity to an option like Scheme Pension which is only available through this type of scheme and certain employer-run schemes.

Family Suntrust could suit a group of individuals who want:

- access to a range of self-investment options
- a tax-efficient way to build up a pension fund
- a range of options for securing pension benefits from the fund
- a range of options, both before and after taking benefits, to provide death benefits for a wife, husband, civil partner or other dependants

WHO'S WHO IN FAMILY SUNTRUST?

There are a number of parties who have a role in the Scheme which we briefly explain here. You might find this handy when we refer to who carries out certain tasks, for example the Scheme Administrator.

PARTICIPANTS

You will be a participant of the Pooled Fund if you either:

- invest for retirement through the Scheme, or
- take benefits from the Scheme (this includes dependants who are taking benefits from the Scheme after a participant dies, and those transferring dependants' benefits from another scheme).

You will no longer be a participant if you use your fund to purchase a Lifetime Annuity.

AXA GROUP

- The Scheme is established under a Trust by AXA Wealth Services Limited, the **Scheme Provider.**
- AXA Wealth Services Limited is the **Scheme Administrator**.
- AXA Wealth Services Limited is the **Trustee**.

FINANCIAL ADVISER

As a group, you must appoint the Financial Adviser before the Scheme can be set up.

The Financial Adviser will act for everyone in the Scheme. It is not possible to use different advisers in connection with the Scheme.

WHAT ELSE YOU NEED TO KNOW

As with most investments, your fund is not guaranteed. Its value can go down as well as up and depends on factors which we explain on page 10 of this guide. Each investment option and benefit option also has its own risks which you should consider. These risks are explained in the 'Family Suntrust – Detailed guide'.

PLEASE NOTE

The information in this guide is based on our understanding of current law and the practice of HM Revenue & Customs ('the Revenue'). It should not be treated as legal advice or relied upon as a statement of law. It assumes that current tax rates, and the tax treatment of contributions, investments and benefits, will stay the same while the Family Suntrust is in force. In practice, they may change at any time. The tax implications will depend on your individual circumstances.

This guide does not cover the options available to dependants who become able to take benefits from a Family Suntrust Scheme. You can find information about dependants' options in the 'Family Suntrust – Detailed guide'.

Setting up a scheme/

HOW IS THE SCHEME SET UP?

The Scheme is set up at the request of an individual, known as the 'Lead Member'. The Lead Member tells the Scheme Administrator who is joining the Scheme at the outset, but after that has no more obligations or rights than other participants in the Scheme.

The Financial Adviser must be appointed before the Scheme can be set up. Everyone in the Scheme must use the same Financial Adviser who will explain the options available. You should always discuss your requirements with the Financial Adviser before deciding to join.

WHO CAN JOIN THE SCHEME?

To begin with, just the Lead Member and the individuals they have asked to be included. New members can join at a later date if all Scheme participants agree.

A person under the age of 18 can join the Scheme if their parent or guardian is already in the Scheme and acts on their behalf.

Individuals who are not 'habitually resident' in the UK (i.e. do not normally live in the UK) can only be included with the Scheme Administrator's prior written agreement.

HOW DOES THE POOLED FUND WORK?

The Pooled Fund lets you invest together.

It is managed as one portfolio and gives you access to a range of investment options. These are explained later in this guide.

The investment choices must reflect your common investment objectives and attitudes to risk. Decisions that affect the Pooled Fund must be agreed by all participants. This is called 'unanimous written agreement'.

At times, payments will need to be made from the Pooled Fund. To allow this, the Scheme has a designated bank account. Together, you must ensure there are sufficient cleared funds in this account to cover items such as benefit payments and ongoing fees. If not, assets will need to be sold to provide the money. If agreement cannot be reached about this, the Scheme Administrator will sell assets to make the payments.

WHAT ARE MY OBLIGATIONS?

If you join the Scheme you will need to:

- comply with the 'Family Suntrust – Terms and Conditions'
- pay a contribution into the Scheme or arrange a transfer payment from another registered pension scheme
- act in unanimous written agreement with the other participants to:
  - decide how the Pooled Fund should be invested
  - decide which assets should be sold to cover items such as benefit payments and fees
  - maintain a suitable cleared balance in the Scheme's designated bank account to cover payments, fees, etc.

WHAT ARE THE FEES?

Family Suntrust fees depend on the options you select. Here we summarise the fees that are payable. The current amounts are shown in the 'Family Suntrust – Guide to fees'.

- Initial fee for setting up the Scheme.
- Annual fees for administration. Its level depends on the number of people in the Scheme and the value of the Pooled Fund.
- Fees for taking pension income under the Scheme.
- Fees for the investment, valuation and sale of assets and for additional statement requests.

The Financial Adviser may also charge for advice and support.

Investing your money

WHAT IS THE MINIMUM INVESTMENT?

You can set up a Scheme if your combined initial investment is at least £200,000 gross (that is, after any tax relief has been added).

All individual payments (transfers and contributions) must be a minimum of £1,000 gross.

Contributions paid by you or on your behalf must qualify for tax relief.

HOW CAN I PAY IN?

Annual or single contributions can be paid by you or on your behalf, or by your employer.

You can also arrange for transfer payments in respect of benefits from other pension schemes to be paid in.

If you are considering a transfer from another pension scheme, you should bear in mind that your existing scheme may offer guarantees and protection which this Scheme cannot match. For example, tax-free lump sum rights may be higher. You may also incur penalties under the existing scheme when you transfer. While the transfer is taking place the transfer value could be impacted by the lack of exposure to potential market growth, market fluctuations and charges.

CAN I TRANSFER EXISTING ASSETS INTO THE POOLED FUND?

The Scheme can accept assets currently held in other pension arrangements if they are in the range of permitted investments. These are known as 'in-specie' transfers. You may also be able to transfer ownership of personal assets as 'in-specie' contributions into the Scheme. The Self Investment Centre of Excellence will be able to give guidance on which assets are acceptable before the transfer process begins.

WHAT ABOUT TAX RELIEF AND CONTRIBUTIONS?

Contributions paid by you, or on your behalf, must be paid net of basic rate tax. So, for example, a contribution of £10,000 would be made up of £8,000 from you and £2,000 tax relief (based on 20% basic rate tax).

If you are a higher rate taxpayer you may be entitled to claim additional tax relief through your tax return.

Contributions paid by your employer are paid gross. They may then be entitled to corporation tax relief.

There is a limit on the tax relief that you can receive on pension contributions (made by you or on your behalf) in one tax year. This is currently 100% of your earnings or £3,600, whichever is greater.

This information is based on our understanding of current tax legislation and Revenue practice.

Tax benefits are subject to change and their value depends on personal circumstances.

For further information please see Part 4 of the 'Family Suntrust – Detailed guide'.

HOW IS THE POOLED FUND SHARED?

Your share of the Pooled Fund is based on the contributions and transfers paid in respect of you.

Its value will increase or decrease depending on the performance of the investments in the Pooled Fund.

Any benefits paid to you and any fees or tax charges specific to you will reduce the value of your share.

HOW CAN THE POOLED FUND BE INVESTED?

With Family Suntrust you have access to a wide selection of investments. And we have teamed up with a range of specialists you may like to use to help you get the most from its flexibility. The table below summarises your options.

You can find further details of permitted and non permitted investments in the ‘Family Suntrust – Terms and Conditions’.

It is important to remember that each type of asset has its own investment risks and may incur additional costs. The value of any investment may fall as well as rise and is not guaranteed, so the value of your benefits could be lower than the amount you have paid in.

If there are differences in investment attitudes, the Pooled Fund investments may not follow the strategy you would pick if you were investing on your own. This could mean the Pooled Fund is exposed to a different level of risk than you would choose yourself.

Elevate General Investment Account (Elevate GIA) for Pension Investments	Elevate is our wrap platform. Wrap platforms are online services that can be used to both hold and trade investments. Investing in Elevate gives you access to: ▪ a wide range of investment funds ▪ a variety of securities from Elevate’s securities trading partner(s) which include stocks and shares alongside other tradable securities ▪ a cash holding facility
UK commercial property	We work with a number of third party specialists to help with the buying, selling and administration of property. These include surveyors, environmental surveyors, solicitors and property administrators. The ‘Family Suntrust – Investment in commercial property’ guide explains our property purchase arrangements in more detail and guides you through the various stages of an investment.
Discretionary Fund Manager	You can use an investment specialist to put together a portfolio which meets your common investment objectives and attitudes to risk. These are known as Discretionary Fund Managers (DFMs). They can manage the portfolio independently, investing in stocks, shares and collective investments. For details of the DFMs available for immediate investment ask your Financial Adviser.
Other options	You can make a number of other investments including offshore and onshore bonds, stocks and shares, and Trustee Investment Plans. These can be with us or another company.

Benefit options

This section sets out your choices when you take benefits. Dependants who become part of the Scheme should refer to the 'Family Suntrust – Detailed guide' for an explanation of how their benefits can be paid.

HOW CAN I TAKE MY BENEFITS?

Your share of the Pooled Fund may be used to provide a tax-free lump sum with the balance providing a pension income. We have summarised your income options below. We explain more, including the risks associated with each option in the 'Family Suntrust – Detailed guide'.

You should discuss with the Financial Adviser which option is most suitable for your needs.

If you take income by Drawdown Pension you can change at any time to a Lifetime Annuity or, if the fund is at least £100,000, to a Scheme Pension.

Scheme Pension	You can exchange your share of the Pooled Fund for a Scheme Pension. The Scheme should then pay you a regular income for the rest of your life. The level of Scheme Pension cannot be guaranteed. The funds exchanged remain invested in the Scheme. The option is available if at least £100,000 is exchanged. Scheme Pension offers the options of a pension that increases each year and a minimum payment period of up to 10 years. These options reduce the initial pension payable. You need to decide on these options at the time of exchange. After that you cannot change them. You cannot change the level of Scheme Pension, but the 'Family Suntrust – Terms and Conditions' explains when the Scheme Administrator will increase or decrease it.
Drawdown Pension	Drawdown Pension provides income withdrawals. It's available as an option if the value of your fund used is at least £50,000. Your fund remains invested in the Pooled Fund. You can decide the amount of income you withdraw from it each year subject to the limits set by the Revenue. You can vary the amount each year to suit your needs.
Drawdown Pension – Flexible option	The Flexible option is available if the value of your fund used is at least £50,000 and you satisfy the minimum income requirement. Your fund remains invested in the Pooled Fund. Through the Flexible option the amount of income you can withdraw is not subject to limits set by the Revenue. You are normally limited to two payments per year; each must be at least £10,000.
Lifetime Annuity	You can use your share of the Pooled Fund to purchase a Lifetime Annuity with us or another provider (known as the Open Market Option). The provider will then pay you a guaranteed regular income for the rest of your life. The share used will no longer be part of the Pooled Fund. Annuities may offer options such as a pension that increases each year and a guaranteed payment period of up to 10 years. These reduce the initial pension payable. You need to decide on these options at the time of purchase. After that you cannot change them.

Benefit options

WHAT WILL MY BENEFITS DEPEND ON?

The level of benefits you can take will depend on the value of your fund at that time. This is the result of a combination of factors, including:

- The amount of contributions and transfer payments paid in respect of you.
- The performance of the investments made under the Scheme. Their value may fall as well as rise and is not guaranteed, so the value of your benefits could be lower than what you have paid in.
- The effect of tax. Tax rules regarding benefits may change at any time and their effect will always depend on your personal circumstances.
- The effect of fees. These could be higher than anticipated.
- Stopping or reducing your contributions. This will mean the value of your fund is likely to be lower than originally expected.

When you take your benefits, other factors could affect the value of what your fund can provide.

For example:

- For lifetime annuities, prevailing annuity rates.
- For Scheme Pension and Drawdown Pension, the level of pension income you take. If the investment growth, less fees, is lower than the income you are taking, your fund's value will fall and this could affect the income you can take in the future.

When thinking about taking your benefits through Scheme Pension or Drawdown Pension, the charges that apply will be higher than for an annuity. There is also no guarantee that what you get back in benefits will be more than had you purchased an annuity.

HOW IS PENSION INCOME PAID?

We usually make payments by direct credit to your bank or building society account, subject to there being sufficient funds in the scheme bank account.

How often payments are made depends on the pension income option you choose. If you buy a Lifetime Annuity with another provider your income will be paid by them. Payment will be their responsibility and subject to their terms.

HOW IS THE PENSION INCOME TAXED?

Your pension will be taxed through the PAYE system as pension income. The tax you pay will depend on your income tax rate at the time of the payment.

WHEN CAN I TAKE MY BENEFITS?

You can take your benefits at any time after you reach the minimum pension age of 55.

In the event of ill-health, incapacity, or for protected pension ages, you may be able to take the benefits earlier than this.

Some investments may take longer to sell than others, so you should give as much notice as possible when you decide to take your benefits.

PLEASE NOTE

These factors and the risks involved with each benefit option are explained further in the 'Family Suntrust – Detailed guide'.

Death benefits/

If you die before taking any benefits and you are under 75, the Scheme usually allows the value of your fund to be used to provide a tax-free lump sum. This would be paid at the Scheme Administrator's discretion having taken into account any preferences you have told us of.

You may set up an individual trust to receive any lump sum on your death. By doing this you can arrange for the benefits to go to who you want to receive them and it will speed up their payment.

Once you have started to take benefits, the benefits that can be provided for your dependants when you die vary greatly depending on the benefit option you chose.

PLEASE NOTE

You can find further details about the payment of death benefits and possible tax implications in the 'Family Suntrust – Detailed guide'.

Contact us

Telephone 0117 989 5407

Visit www.axawealth.co.uk

FINANCIAL ADVISER

The first point of contact for your Family Suntrust Scheme is the Financial Adviser. If you need to contact us direct you can call 0117 989 5407 between 8.30am and 5.30pm, Monday to Friday.

As part of our commitment to quality service, telephone calls may be recorded.

CONTACTING US

You can also write to us at:

Self Investment Centre
of Excellence

AXA Wealth
PO Box 443
Bristol
BS34 8YX

AXA Wealth, PO Box 443, Bristol, BS34 8YX. Telephone: 0117 989 5407.
As part of our commitment to quality service and security, telephone calls may be recorded.

AXA Wealth Services Limited is the provider, administrator and trustee of Family Suntrust. AXA Wealth Services Limited is authorised and regulated by the Financial Services Authority and is a company limited by shares. Registered in England No. 02238458. Registered office: 5 Old Broad Street, London, EC2N 1AD.

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