

Standard Life

Part of Phoenix Group

The Standard Life Pension Annuity

Because everyone deserves
a little more certainty



For professional advisers only

Pension annuities:

A welcome shelter from the storm

The current climate is making advisers' lives difficult. Market volatility, economic uncertainty and rising life expectancies could all be disrupting your ability to confidently deliver a lasting, sustainable income for those clients in retirement.

A new era for retirement planning

It's fair to say that, since the pension freedoms first landed back in 2015, the retirement income market has gone through a radical transformation.

Indeed, while buying an annuity was once the only option for those looking to turn their retirement savings into an income, the vast majority of Britain's retirees will now choose to flexibly access the money in their pension pot.

Is the tide starting to turn?

Current market conditions, with sustained periods of volatility, have undoubtedly made pension annuities a much more attractive proposition. This is reflected in the fact that sales have been steadily rising, meaning pension savers can potentially get more for their money.

This, coupled with the fact that most people want greater financial stability in retirement, as well as rising awareness of how long their retirement can last, makes it easy to see why the value offered by pension annuities has become impossible for many to ignore.



Deliver the best of both worlds

As we respond to this shift in consumer demand and behaviour, it's important to remember that it doesn't have to be a binary choice between drawdown and annuities. In fact, there's room to enjoy the best of both worlds.

For example, with a blended approach, your clients could choose to annuitise part of their pension pot. This would give them peace of mind that, no matter what happens, they'll always have a steady stream of income coming in. They could then leave a portion of their pot invested, which would allow for potential future growth.

So if your clients are among the millions of people who are looking for long-term financial certainty, now might be the time to consider where a relentlessly reliable income product might fit within your overall retirement planning conversations.

9 in 10

people say they want certainty of income in retirement ¹

1 in 4

men aged 65 today are likely to live until they're 92 ²

55%

worry about running out of money in the future ¹

Source:

¹ Retirement Voice research, Standard Life, October 2023

² ONS Life Expectancy Calculator

Secure the future with Standard Life

With a Standard Life Pension Annuity, you can help your clients enjoy a retirement income that's cemented in certainty, and guaranteed to last for as long as they do.

Page 6 | The product detail

Check out what our pension annuity can offer – and consider whether it's right for your client.

Page 8 | Our optional features

Tailor your client's annuity to match their individual needs with our range of optional features.

Page 10 | Enhanced annuities

See how a deeper health and lifestyle conversation could help your client enjoy a higher level of retirement income.

Page 12 | How to quote and apply

Take the next step by getting an instant quote or complete a full application.



The product detail

We want to make sure you can find the right retirement income solution for your clients. To help with that, here you'll find details of what our product offers and who it might be suitable for.

About the product

Term	<p>We'll pay your client a regular income for as long as they live.</p> <p>If your client chooses to add a dependant's income or a guaranteed payment period (see page 8 for details) and then dies, annuity payments will continue for as long as their chosen dependant lives, or up to the end of the agreed guarantee period.</p>
Income	<p>How much income your client will receive depends on a number of factors; such as the value of their pension savings, how old they are, any optional features they'd like to add, and their health and lifestyle.</p> <p>Your client's annuity payments will be treated as earned income and will be taxed at their marginal rate of income tax. There will be no National Insurance contributions payable.</p>
Payment frequency	<p>Your client can choose to have their annuity payments paid monthly, every three months, every six months or once a year.</p> <p>They can also choose to have their payments paid in advance or in arrears.</p>

Charges

Product charges	<p>We include all our expenses for setting up and running your client's annuity when we work out how much their income will be. There are no hidden costs involved, and we don't take anything from your client's ongoing annuity payments.</p>
Adviser charges	<p>We can facilitate a variety of adviser charging structures, so you shouldn't need to change your pricing model in order to work with us.</p>

Limits

Age	<p>To buy a Standard Life Pension Annuity, your client must be aged at least 55. We may also accept younger clients if they're retiring due to ill health, or if they have a protected retirement age.</p> <p>The maximum age we can accept is 85 for Open Market Option (OMO) cases, and 74 for transfer (IVPP) cases.</p>
Purchase price	<p>The minimum amount your client will need to buy a Standard Life Pension Annuity is £10,000 – after any tax-free cash and adviser charges have been deducted.</p> <p>We don't have a maximum – but you should get in touch with us about any plans that are valued at over £1,000,000 as we'll need additional checks to be completed before we can give you a guaranteed quote.</p>

It's potentially suitable for your client if they:

- Want a regular, guaranteed lifetime income.
- Would like the option of having their income increase each year, either in line with inflation or by a fixed rate.
- Would like the option to provide a lump sum or a regular, guaranteed lifetime income for a dependant when they die.
- Would like to avoid their retirement income being impacted by investment risk.
- Are happy to accept that they can't change or cash in their annuity once it's been set up, even if their circumstances change.
- Are happy to accept that the total income they receive over the life of their annuity may be less than the total amount that was used to buy it.
- Live in the UK.

It's unlikely to be suitable for your client if they:

- Have less than one year to live.
- Have less than £10,000 in pension savings.
- Would like the freedom to make changes to their retirement income payments, such as taking additional cash lump sums.
- Would like to keep their pension savings invested so they can potentially benefit from future investment growth.
- Would like their dependant to benefit from any remaining savings in their pension pot when they die, without having to buy additional guarantees or protection.
- Are happy to accept that their pension savings could run out before they die.
- Have declared bankruptcy and the fund value of their pension plan has been earmarked to settle some or all of their outstanding debts.

Our optional features

To help you deliver the right solution for your client, you can choose to add a range of optional features. These can help to protect your client's income from the effects of inflation – or help them leave a legacy when they die.

Inflation protection

Escalation

Your client can choose to have their annuity payments increase each year. This could be by a fixed percentage (0.01% up to 10%) or in line with either the Limited Prices Index (subject to a maximum of 5%) or the Retail Prices Index.

Death benefits

Guaranteed payment period

Guarantees your client's annuity payments will continue to be paid for a period of up to 30 years from the first income payment date. When your client dies, the annuity payments will be paid to their estate or beneficiaries for the remainder of the guarantee.

This option can't be combined with value protection.

Dependant's income

When your client dies, a percentage of their annuity payments can continue being paid to their spouse or dependant. This can be anything between 1% and 100% of your client's total annuity income each year, and it will be paid to their chosen dependant until they die.

This option can't be combined with value protection.

Value protection

Your client can choose to protect 1% to 100% of the initial amount they used to buy their annuity with us. When they die, we'll pay a lump sum equal to the amount they protected, minus any income payments we've already made.

This option can't be combined with a guaranteed payment period or a dependant's income.

Overlap

This option is only available where your client has chosen to add a guaranteed payment period, as well as a dependant's income.

If they die during their agreed guaranteed payment period and have added our overlap feature, their annuity payments will continue to be paid alongside the agreed dependant's income up until the end of their chosen guaranteed payment period.

Proportion

If your client's annuity payments are being paid in arrears, we'll make a final income payment which represents the number of days between the date their last income instalment was paid and the date of their death.



A few things to think about

Optional features come at an additional cost

While our range of optional features can help your client tailor their pension annuity to match their exact needs, any features they add are likely to impact at least the starting level of their annuity payments.

Your client can't change or add features later

It's important to make sure that any optional features your client would like to add are agreed and put in place before they buy their pension annuity, as we can't make changes once the payments begin.

Your client can choose not to add any of our optional features

If they do this, they are likely to receive a higher starting level of income – which will remain the same each year for the rest of their life. Of course, they should always consider the risks of doing so.

For example, if no death benefits are added, your client's annuity payments will stop when they die. This could potentially leave nothing for any dependants who are still reliant on their income.

Enhanced annuities

If your client has a health condition or certain lifestyle issues, they could be eligible for higher annuity payments. Even some fairly common conditions will qualify for an enhanced rate – so it's important you take the time to collect as much of your client's medical history as you can.

How does an enhanced annuity work?

With some financial products – like life insurance or critical illness cover – your clients may need to pay a higher premium if they have any previous or ongoing health issues.

This is different with annuities, where having a medical condition could potentially boost the income they receive.

An enhanced annuity works on the basis that, if your client has a health condition or a lifestyle issue, they may have a shorter life expectancy. And so their annuity payments will be paid over a shorter period of time. This means that some annuity providers, like us, will be prepared to pay them more each year.

Who qualifies for an enhanced annuity?

There's a wide range of common conditions that might qualify your client for an enhanced annuity. Such as:

- High blood pressure
- Asthma
- Diabetes
- Heart disease
- Kidney failure
- Cancer

Their lifestyle choices may also trigger an enhanced rate – for example if they're a smoker or obese.

You'll find a much more expansive list of the health and lifestyle conditions that might qualify your client for an enhanced annuity on our website at [standardlife.co.uk/guaranteedincome](https://www.standardlife.co.uk/guaranteedincome)

Does my client need to have a medical?

We usually wouldn't ask your client to attend a medical examination – but they may need to complete a health questionnaire.

At times, we may also ask your client's permission to approach their doctor for a medical report – or ask them to carry out a medical test to confirm the information they've given us is correct.

If the information your client provides is incomplete or inaccurate, or if a medical test or permission to approach their doctor is refused, we may reduce the annuity payments being paid and/or seek recovery of any payments we've already made.

What if my client has a short life expectancy?

If your client has a life expectancy of less than one year, our pension annuity isn't suitable for them. They might however be able to take all of their pension savings tax free instead.

How do I apply for an enhanced annuity?

We automatically assess your client's health and lifestyle as part of our annuity quote process – so it's important to fully disclose all the relevant information up front.

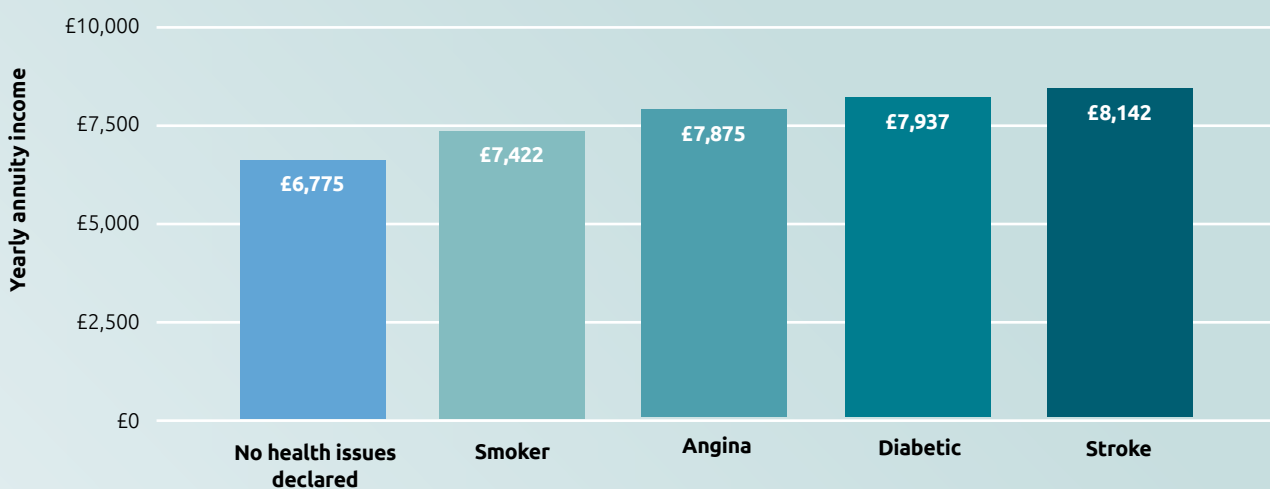
Unfortunately, we can't take any new or undisclosed health conditions into account after your client has purchased their annuity.

To help you capture everything we need, we suggest you use the industry standard Retirement Health Form. You can download a copy at: retirementhealthform.co.uk/adviser

What difference could an enhanced annuity make?

The exact level of your client's annuity payments will depend on a number of factors – including their pension pot size, the options they choose to add and their individual circumstances.

To give you an idea of the difference an enhanced annuity can make, we can look at a single life annuity for a person aged 65 who has a pension pot of £100,000. The chosen annuity will be paid monthly in advance, with no optional features added.



Figures shown have been sourced from MoneyHelper on 12 February 2024, and represent an average of the top three quotations in the market on this date.

Clients who share exactly the same circumstances as our case study may be quoted different annuity amounts based on a number of variable factors, including how their condition is managed. Annuity rates change all the time, so they could be higher or lower in the future.

How to quote and apply

We want to make it easy for you to work with us – so we'll let you choose how you prefer to run things. We'll also keep you up to speed with progress, whatever route you go down.

I'd prefer to use a portal



Choose your portal

You can get an instant quote for a Standard Life Pension Annuity through all major portals.



Complete and return the paperwork

If your client would like to go ahead, simply complete and return their application – either by email or post.

I'd prefer to deal with you



Get in touch

Our dedicated Annuity Broker Support team can help to build a quote for your client. They just need a few details from you – including a completed Retirement Health Form.



Complete and return the paperwork

They'll send you an application form to complete along with your quote, which you can either email or post back to us.

Our annuity quotes are guaranteed for 14 days if all details remain the same. If we receive the application within the period, we will hold the quote for 30 days from the date the application is received to process the application, complete any necessary checks and receive your clients funds. If we receive any funds into the annuity after this date, or if any details change, we'll need to send a new quote.

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

How to reach us

Broker Support Team



0808 164 0164

Monday to Friday 8.30am-5.30pm.
Call charges will vary.



adviserannuitysupport@standardlife.com*



Standard Life
PO Box 826
Telford
TF7 9HX

*We can't guarantee that we'll receive any email you send to us, or that it won't be intercepted by someone else. For these reasons, you should always protect any client information you share with us by email.

Remember to fully capture your client's health and lifestyle details

Whether you're creating a quote online or dealing with us direct, it's really important to make sure you collect your client's medical and lifestyle history. This can have an impact on whether they qualify for our enhanced terms – and therefore a potentially higher level of income.

To help you pull together everything we need, we'd suggest completing the industry standard Retirement Health Form. You can download a copy from retirementhealthform.co.uk/adviser

Standard Life accepts no responsibility for information on external websites.

The image shows two overlapping forms from the Retirement Health Form. The top form is 'Section 1: Personal Details' and the bottom form is 'Section 2: Medical Assessment'. Both forms have a header that reads 'To be completed by you and your dependent. Please complete the form using black ink and read instructions.' Section 1 includes fields for Title, Gender, Forename(s), Surname, Date of Birth, Marital Status, Relationship to the dependent, Present occupation, and Address. Section 2 includes 'Your details' (Height, Weight), 'Your dependant's details', and a list of smoking and alcohol consumption options.

Whatever route your clients want to take, we can help you find the right path

Whether your clients want certainty, financial flexibility, or a bit of both – we have a range of product solutions that are designed to help.

We can also help to support your ongoing retirement planning conversations with our handy tools and expert insight.

To find out more, simply visit us at [standardlife.co.uk/adviser](https://www.standardlife.co.uk/adviser)



A trusted partner, here for the long term

We're part of the UK's largest long-term savings and retirement business – and have been trusted to look after people's life savings for almost 200 years.

Very strong
Our financial strength is rated 'very strong' by AKG

12 million
We currently help over 12 million customers*

£270 billion
We have over £270bn assets under management*

*As of January 2024.

www.standardlife.co.uk

Phoenix Life Limited, trading as Standard Life, is registered in England and Wales (1016269) at 1 Wythall Green Way, Wythall, Birmingham, B47 6WG, and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Phoenix Life Limited uses the Standard Life brand, name and logo, under licence from Phoenix Group Management Services Limited

SLPA20 0324 CS00620 © 2024 Phoenix Group Management Services Limited. All rights reserved.