

THE EQUITY PENSION SCHEME (EPS)

Equity Pension Scheme

THE EQUITY PENSION SCHEME (EPS) – Sample Illustration

THE EARLY YEARS

WARNING – if you stop contributions or transfer during the early years the value of your contract could be less than you have paid in. This will only happen if the fund growth is less than the charges we deduct. The last two columns assume that investments will grow at 7% per year.

At end of year	Total paid in to date	Total actual deductions to date	Effect of deductions to date	What the transfer value might be
1	£1,200	£5	£5	£1,240
2	£2,400	£19	£20	£2,600
3	£3,600	£43	£45	£4,100
4	£4,800	£80	£85	£5,760
5	£6,000	£128	£139	£7,570

THE LATER YEARS

At end of year	Total paid in to date	Total actual deductions to date	Effect of deductions to date	What the transfer value might be
10	£12,000	£605	£730	£19,400
15	£18,000	£1,610	£2,160	£37,500
20	£24,000	£3,360	£5,030	£64,600
25	£30,000	£6,150	£10,200	£104,000
30	£36,000	£10,200	£18,900	£162,000
At age 65	£42,000	£18,000	£35,200	£245,000

What are the deductions for?

The deductions cover the cost of our expenses and profit.

The last line in the table shows that over the full term of the policy the effect of the total deductions could amount to £35,200. Putting it another way, this would have the same effect as bringing the investment growth down from 7% to 6.3% a year.

What are the charges & how are your contributions invested in your EPS?

100% of every contribution received will be invested in the plan

To manage the investments and meet other expenses, there is an Annual Fund Charge. The Annual Fund Charge is deducted monthly by cancellation of units.

The base Annual Fund Charge is 0.70% of your fund value each year.

The charge above is taken into account in the projected fund values shown in this illustration.

The level of the charge may change in the future.

How much will the advice cost?

For arranging your plan, we will pay commission to Hencilla Canworth Ltd (First Act). The amount depends on the size of the contributions and the length of your plan term.

AVIVA will pay commission of £0.20 per annum for every £100.00 in your pension fund.

This commission is within the over all 0.70% Annual Fund Charge, not in addition to.

We have shown the maximum that we will pay. It will be paid out of the charges.