



Investment terms and conditions for Skandia Safe

Investment terms and conditions valid from 1 May 2018

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1. About Skandia Safe

Skandia Safe is a product with market-determined interest that provides both the security of a minimum disbursed amount at the agreed retirement age, and under some circumstances provides the opportunity for revaluation of the secured part.

The minimum amount regarding the agreed retirement age comprises your net contributions with costs, payment for security, insurance costs and any labour market contributions (AMB) and tax deducted.

Under certain circumstances, part of your net contributions can be placed in higher-risk assets. If these assets generate a positive return, the minimum amount can be revaluated with part of the return.

These investment terms and conditions apply in addition to the pension saver's insurance terms and conditions in force at any given time¹.

1.1. Provided by

Skandia Safe is provided by Skandia Link Livsforsikring A/S, CVR number 20952237 – hereinafter called Skandia.

2. Investing with Skandia Safe

Skandia allocates and invests net contributions between secured investments and higher-risk investments, respectively, that support the secured part and the unsecured part of the pension savings, respectively. The allocation occurs e.g. based on the insured's age at the time of the contribution, how much time will elapse before agreed retirement age and the general situation in the financial markets.

It is Skandia that, at any given time, performs the investment dispositions in Skandia Safe.

The pension saver is not entitled to conduct transactions and does not receive separate notification about the transactions made by Skandia.

Skandia owns the securities and financial instruments where the investments are made. The pension saver therefore has no ownership over them, but owns the right to the return, which is added to the pension savings in Skandia.

The investment cannot be made with retrospective effect.

2.1. Skandia's liability applies

Skandia's liability for investing pension savings applies when Skandia has received and accepted all the necessary information for establishing the contractual relationship.

A contribution prior to this date should not be considered enrolment in the pension scheme. A request to transfer from another pension company as well as transfers from another pension company received prior to this date can be effectuated no earlier than when the contractual relationship is approved and Skandia has issued a pension overview to the pension saver.

Similarly, in the event of changes during the contractual relationship, Skandia's liability applies for investment of the pension savings no earlier than when all the necessary information for the change has been received and approved.

Skandia is not liable for investing the pension savings in the event of non-approved contractual relationships or changes.

2.2. Skandia's customer portal

Pension saver can follow the development in the pension savings via a personal login on skandia.dk.

2.3. Mandate and trading

When Skandia Safe is chosen, the pension saver gives Skandia the mandate to carry out the necessary transactions with the investments. The pension saver is not entitled to buy or sell investment assets.

2.4. Revaluation of the secured part

If the more risky investments produce a positive return, part of the return can be used to revalue the secured part. Revaluation occurs in accordance with the rules in effect at any given time that Skandia has reported to the Danish FSA (Finanstilsynet).

2.4.1. Tax on pension yield

Skandia ensures that tax is paid on any pension yield (PAL) in line with the law and rules or new duties and charges/taxes that replace/supplement them. This is achieved by Skandia automatically selling the pension savings.

Yield that is not taxed as pension yield, is reported to SKAT (the Danish tax authorities), and the yield is then taxed in accordance with applicable tax rules.

2.5. Costs

The pension saver pays the costs related to investing pension savings in Skandia Safe. The costs are calculated at least once a year in accordance with the pension industry's recommendation on annual costs in kroner/annual costs in % (ÅOP/ÅOK) and are explained to the pension saver in connection with the annual pension overview.

2.6. Change of investment product

The pension saver can change to another Skandia investment product on an ongoing basis.

When changing to another investment product, the security of disbursement of the minimum amount lapses.

Skandia Safe is traded once a month. The change in investment product occurs no later than five trading days subsequently.

¹ In the insurance terms and conditions, pension saver is called the insured.

3. Investing contributions

Skandia deducts the costs of administration etc., security payment, insurance payments and labour market contributions from the contributions i.e. it is the net contribution that is invested.

Skandia reserves the right to set a minimum value for the contributions.

The contributions can be continuous in relation to the pension agreement or a one-off such as with a deposit or transfer from another pension company.

The contribution, with any costs deducted, is invested.

Skandia Safe is traded once a month. The contribution is invested no later than five trading days subsequently.

3.1. Insufficient contributions

If the costs of labour market contributions, costs, security and insurance payments etc. cannot be deducted from the contributions, then payment for these costs will be deducted from the pension savings.

The secured part can therefore be continuously written down by the amount required to cover the costs mentioned. Insufficient contributions can thereby affect the secured part at the agreed retirement age and when the pension disbursements are subsequently regulated.

3.2. Scheme without contributions

If the contributions cease, the pension scheme will be amended to a premium-free policy.

If the contributions cease, the secured part will be continuously written down by an amount corresponding to the amount required to cover the costs incurred, security payments and any insurance.

If the contributions cease, this can therefore affect the secured part at the agreed retirement age.

3.3. In the event of waiver of premium

In the event of waiver of premium, Skandia Safe will continue unchanged. The pension saver can change to another investment product.

3.4. Trading limits are not observed

If a transaction cannot be conducted within the deadline and Skandia is not to blame, Skandia is not liable for any loss to the pension saver.

In all other circumstances, the pension saver is treated as if the transaction had been conducted within the deadline. Interest is not charged.

4. Payment

The general terms and conditions for disbursement are described in the relevant insurance terms and conditions.

4.1. In the event of the agreed retirement age

At the agreed retirement age, the value of the secured part is calculated and placed in a very low-risk fund. The value of the unsecured part continues unchanged.

If the total market value is less than the secured part, the secured part is transferred to the very low-risk fund. Only the secured part is secured at the retirement age.

When the money is transferred to the very low-risk fund, there is no secured part. There is the option of allowing the pension savings to remain in the very low-risk fund and having the money disbursed in accordance with the rules applying to the chosen disbursement form on retirement.

If the payment is to be made as a lump sum, all the savings are sold. If the payment comprises continuous disbursements, continuous sales are effectuated from the pension savings corresponding with the continuous disbursements calculated.

Skandia generally trades in invested assets corresponding to the agreed disbursement once a month. In the event of continuous disbursements, the size of the disbursements is recalculated annually on 1 January based on the pension savings' market value on 30 November and the basis for disbursements that Skandia has reported to the Danish FSA.

A new agreement can also be made concerning another of Skandia's investment products.

4.2. Prior to the agreed retirement age

If the pension savings are repurchased or transferred to another pension institution prior to the agreed retirement age, the market value of the pension savings is disbursed after deduction of any costs at the time when the invested assets are sold. Security for the disbursement of net contributions therefore does not apply if the individual wishes the pension savings to be disbursed before the agreed retirement age.

Generally, transactions are made once a month. Skandia conducts the transfers in accordance with the deadlines agreed in the applicable inter-trade transfer agreements.

The pension saver can change investment product from the time when the pension saver has requested a transfer and until the transfer has taken place.

If the pension saver begins disbursement before the agreed retirement age – but in accordance with the rules for the earliest disbursement time in the Law on the taxation of pensions – the disbursement will be calculated based on the market value. There is therefore no security for a minimum disbursement in the event of disbursement before the agreed retirement age.

4.3. In the event of death

Unless another option is chosen, in the event of death, the beneficiary or beneficiaries will receive the market value of the pension savings with any costs and payment for security deducted. If the total market value is less than the value of the net contributions, the value of the net contributions is disbursed.

The market value comprises the value of the pension savings at the time when the invested assets are sold. As a general rule, Skandia trades the invested assets once a month.

In the event of death, the funds are transferred to a very low-risk fund. This occurs in connection with the first upcoming trading transaction after Skandia has received notification of the death.

5. Amendments

Skandia may amend the investment terms and conditions for Skandia Safe, including amending Skandia Safe so that contributions may no longer be made. In the event of amendments that are unfavourable for the pension saver, the investment terms and conditions are amended with one month's written notice.

If necessary due to new or amended legislation or following instructions from the Danish FSA, Skandia can, however, amend the investment terms and conditions with immediate notice.