

# Secure Lifetime Income – in partnership with Just

A guide for advisors



**JUST.**

**7iM**

### Capital at risk

You should be aware that the value of investments may go up and down and you may receive back less than you invested originally.

7IM considers that the obligation to provide appropriate advice and explain the risks inherent in the portfolios falls to advisers.

Tax rules are subject to change and taxation will vary depending on individual circumstances.

**7IM SECURE LIFETIME INCOME**

**PROFESSIONAL ADVISERS ONLY**

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# An introduction to SLI

We've partnered with retirement specialists Just to offer you and your clients their innovative Secure Lifetime Income (SLI).

To help you better understand the key features of SLI and how it works, we've put together a guide which provides:

01

An overview of the SLI product

02

Instructions on how to quote and apply

## FAQs

To view some of the frequently asked questions about SLI, please visit: [https://www.justadviser.com/globalassets/just-adviser/documents/secure\\_lifetime\\_income\\_faqs\\_1313458.pdf](https://www.justadviser.com/globalassets/just-adviser/documents/secure_lifetime_income_faqs_1313458.pdf) or [click here](#).

## Contact

If you would like further information regarding any of our services:



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# Overview

## Secure Lifetime Income (SLI)

SLI enables you to offer a guaranteed income producing asset for your clients within the 7IM SIPP.

The inclusion of SLI offers an additional means of improving the sustainability of your client's drawdown plan.

The online underwriting, quote and apply process makes it easy for you to incorporate an element of guaranteed income alongside your chosen investment strategies to produce a more sustainable, yet flexible, retirement income.

## Who has SLI been designed for?



Drawdown clients looking for more certainty of income



Drawdown clients looking for additional income within a given risk appetite



Drawdown clients looking to increase legacy provision

SLI is not suitable for those who are looking for a guaranteed income from their whole pension.

## Providing your client with a guaranteed income in retirement

The SLI is an insurance contract provided by Just and sits as an asset within the 7IM SIPP. When purchased, SLI provides a guaranteed income which is payable for life.

Whilst the client lives, all income payments are 100% guaranteed by Just, with full FSCS backing in the unlikely event of Just defaulting.

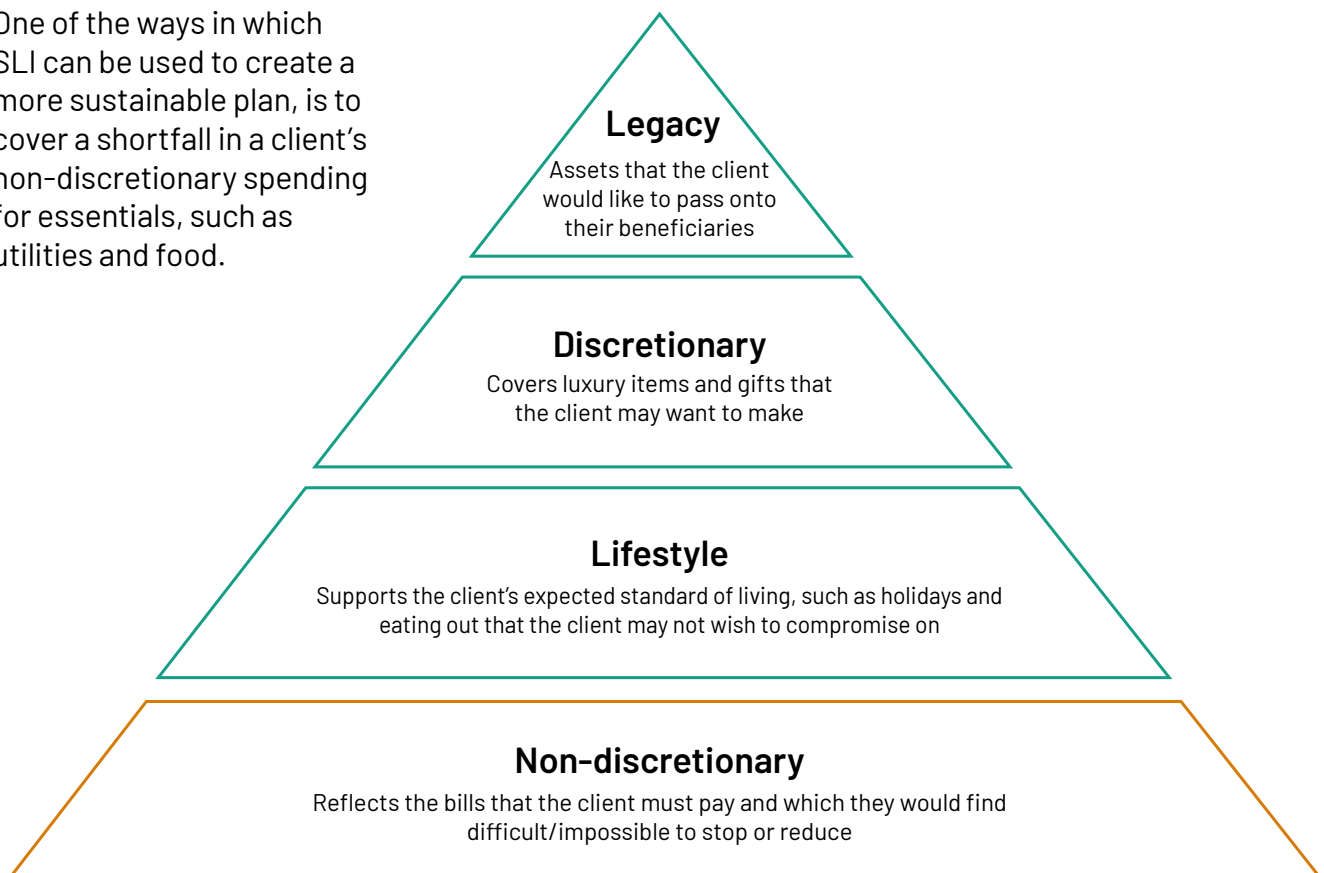
The SLI can only be purchased from crystallised cash and all income payments are made by Just into the 7IM SIPP on behalf of the individual member (i.e. your client).



## Deciding how much SLI to include within a plan?

You can generate an SLI quote for your client directly from the 7IM Platform. This enables you to quickly and easily see the cost of guaranteeing a target level of income.

One of the ways in which SLI can be used to create a more sustainable plan, is to cover a shortfall in a client's non-discretionary spending for essentials, such as utilities and food.

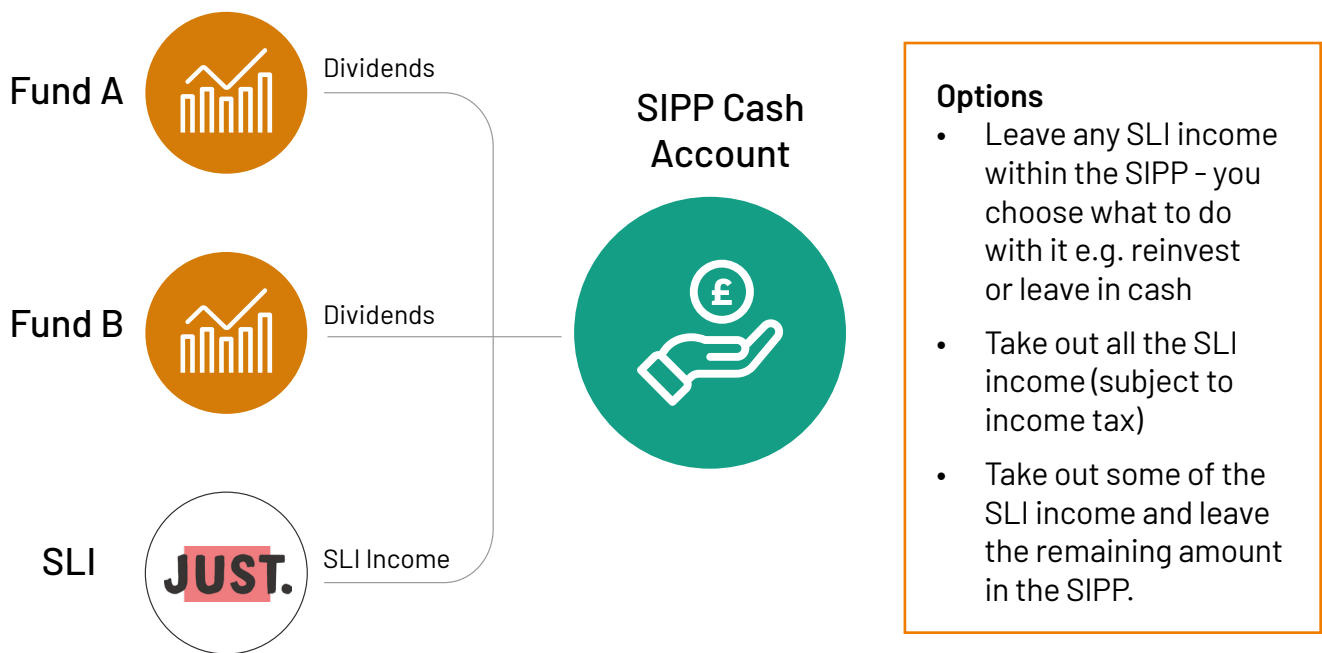


SLI can also be used to increase a client's lifestyle and discretionary income as well as their legacy assets.

## Flexible income options

Income payments from the SLI are paid to the trustees and held on behalf of the individual member (i.e. your client). You and your client can then choose what you do with the income.

SLI can therefore be used in conjunction with the benefits that Flexi-Access Drawdown (FAD) provides.

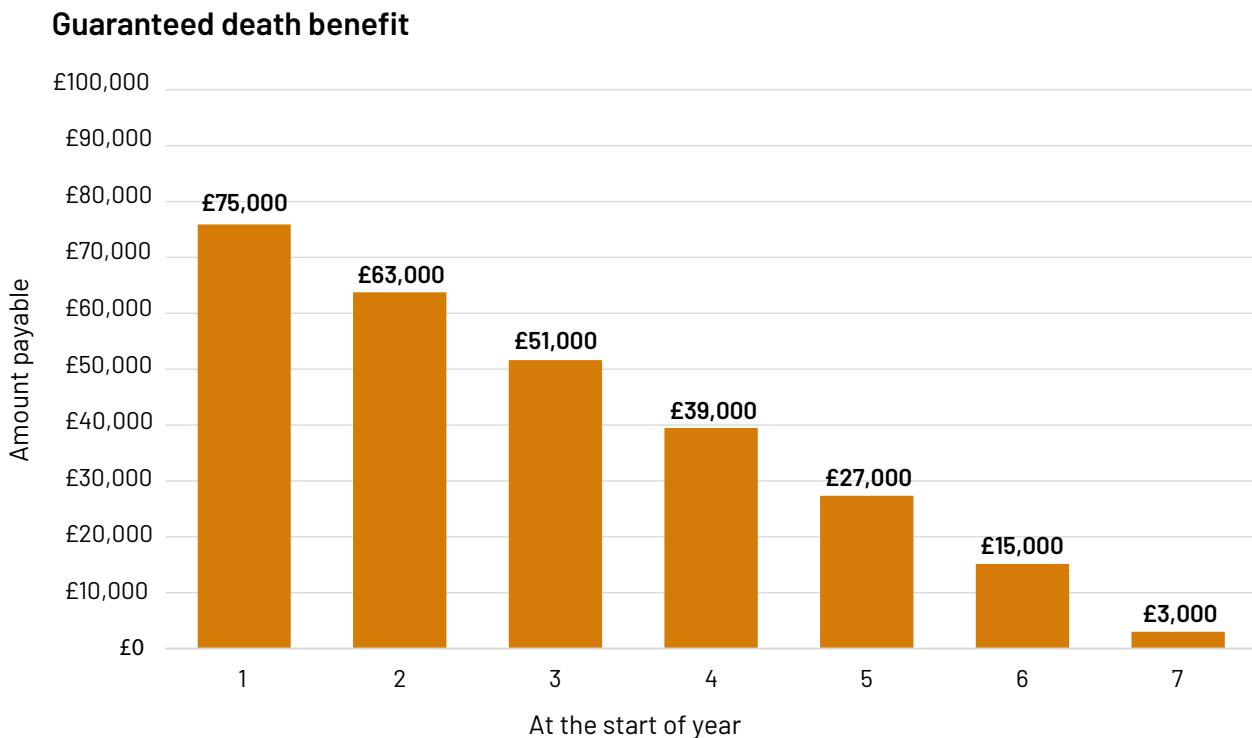


SLI payments out of the 7IM SIPP are treated as FAD payments, and therefore:

- will be combined with any other FAD payments the client may receive
- the client will receive just one payslip and p60.

## Providing for dependants

The SLI provides a death benefit which starts at 75% of the initial SLI purchase amount, and then reduces by twice the monthly income amount. This will eventually reduce to zero. Please see an example below:



Based on a 66-year-old client who buys £6,000 of annual income with £100,000. The initial death benefit starts at £75,000.

One of the key differences between SLI and an annuity is that the death benefit is paid to the SIPP trustees as a cash amount. This means the beneficiaries will have flexibility over how they take the death benefits in line with normal pension rules.

For more information on the death benefit, please visit <https://www.justadviser.com/globalassets/just-adviser/documents/sli-adviser-guide.pdf>

# How to quote and apply

All quotes and applications are carried out on the SLI portal.

As described in the journey below, 7IM will navigate you to the SLI portal via the 7IM Platform.

For a more detailed overview of the quote and apply process, please take a look at our demo video on [www.7im.co.uk/financial-adviser/platform/investment-accounts/sipp/secure-lifetime-income-help-centre](http://www.7im.co.uk/financial-adviser/platform/investment-accounts/sipp/secure-lifetime-income-help-centre) or [click here](#).

## **IMPORTANT**

### **Eligibility criteria**

Prior to creating a quote or application for an existing 7IM SIPP client, there are pre-requisites that need to be met:

1. We can only allow quotes to be carried out by FCA regulated financial planning firms
2. For a client-specific quote, the client must be a UK resident
3. The client is over 55
4. Prior to applying for a SLI, the client must have sufficient crystallised cash available within the 7IM SIPP D (dealing) portfolio that covers the SLI purchase amount.



## Creating an SLI quote:

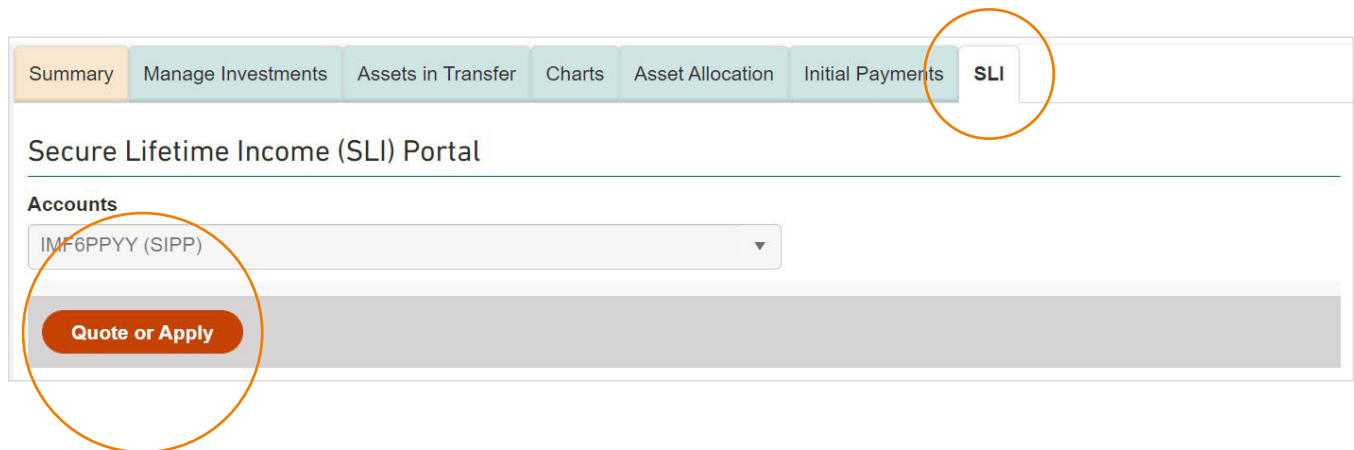
There are several different options for quoting for the SLI:

### You can create quotes for clients who have a 7IM SIPP

- I. Allows ballpark estimates
- II. Allows accurate (personalised) quotes.

For this option you first need to select your client & select their SIPP.

- Select the SLI tab
- Click on 'Quote or Apply'.\*



OR

### You can create quotes for clients that do not hold a 7IM SIPP

- I. Allows ballpark quotes
- II. Allows accurate (personalised) quotes.

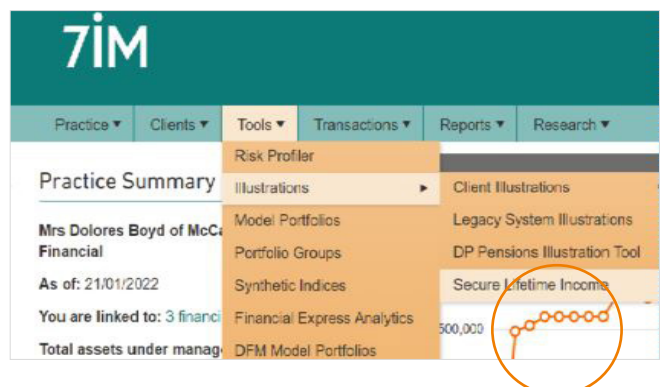
For this option, you simply need to log onto the platform and from the landing page select:

- Tools
- Illustrations
- Secure Lifetime Income.

\*This will only be enabled if eligibility criteria 1,2 and 3 have been met.

#### IMPORTANT:

Please note these quotes will not be saved once you navigate away from the SLI portal.



## Select the type of quote:

Here is where you will decide if you wish to carry out a ballpark estimate or an accurate quote. Please note, if you have selected a client via the platform, then some of the client's details will be pre-populated for you.

### Accurate Quote

Where you provide the full personal and health details of your prospective SLI customer to generate a valid quotation.

**You should ensure that all details provided are accurate; providing inaccurate information would invalidate any SLI contract arising from such a quote.**

#### Complete the Personal and Health Questionnaire

Obtain an SLI illustration for a client for whom you have full personal and medical details

**START**

#### Send to client


If you don't have all your client's health details to hand you can use this option to send the questionnaire directly to the client for them to complete.


**SEND TO CLIENT**


### Ball Park Estimate

Using one of our pre-defined personas, you can quickly get a "ball park" estimate of the guaranteed income that a client resembling that persona might achieve.

**These quotes are for guidance only and cannot be acted upon.**

Average Health, non-smoker 

Fit & Healthy 

Average Health, smoker 

#### IMPORTANT:

Accurate quotes will only be saved and viewable where you have navigated to the SLI portal with a client pre-selected via the 7IM Platform.

Where you have not selected a client, then the quote cannot be saved or retrieved.

You will lose the information once you navigate away from the SLI portal.

#### IMPORTANT:

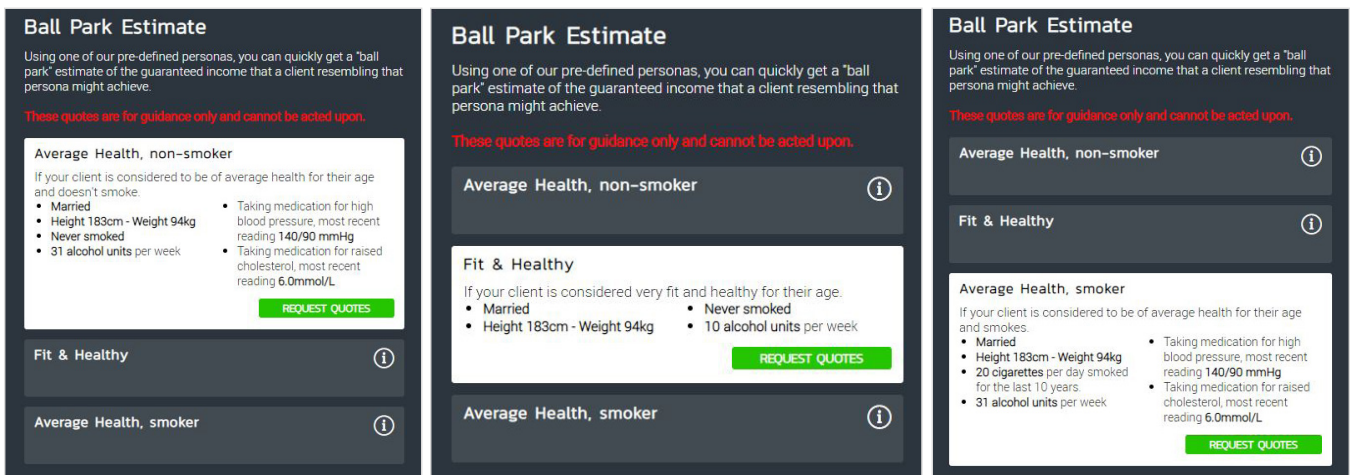
Ballpark estimates are a guide and therefore cannot be saved or retrieved.

You will lose the information once you navigate away from the SLI portal.

## Producing a ballpark estimate

A ballpark estimate gives an indication of what a SLI can provide based on some pre-defined personas.

You simply click on the required persona and then select 'request quote'.



The next step is to select what basis you would like the quote to run on:

### Quote for income

How much income does the SLI need to generate and therefore how much will the SLI purchase cost your client.

### Quote from premium

How much is the client willing to purchase the SLI for, this basis will then show you how much income you can achieve.

## Quotations

### New Quotation

Thank you. We can now use the predefined criteria selected, in conjunction with the client's date of birth and postcode to generate an indicative SLI quotation.

To help you assess the relative competitiveness of this quotation we will simultaneously gather some annuity quotations from providers who have agreed to support this exercise, although we cannot guarantee that these rates are the best that could be achieved in the open annuity market.

By proceeding I have consent from my client to pass their data to third parties for the purpose of generating quotations and comparisons.

Quote for Income

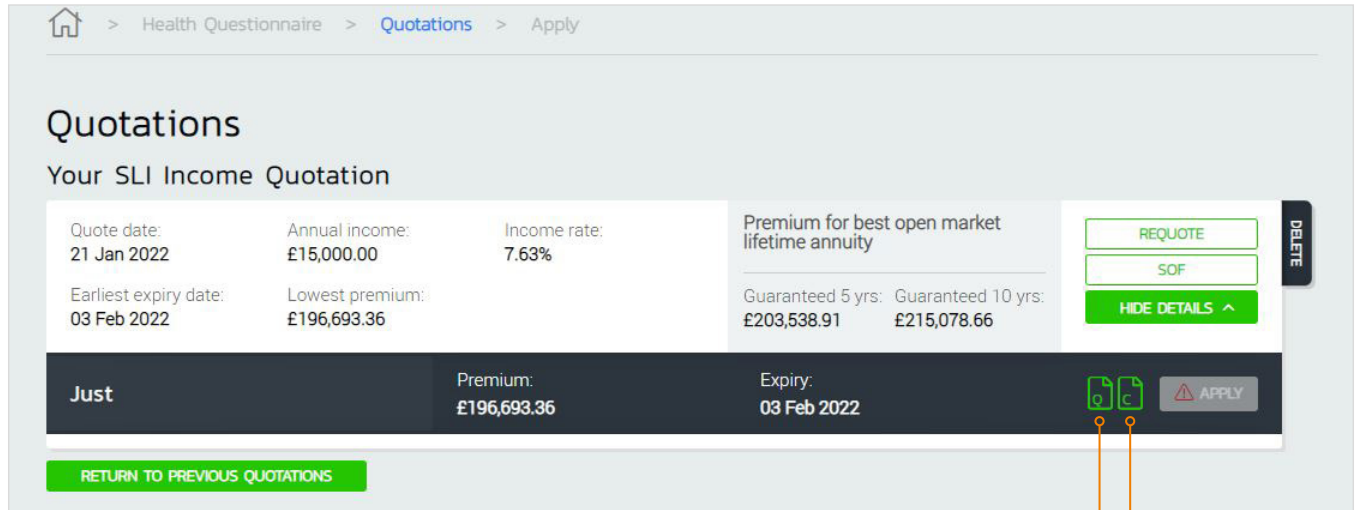
Quote from Premium

Please enter an annual income

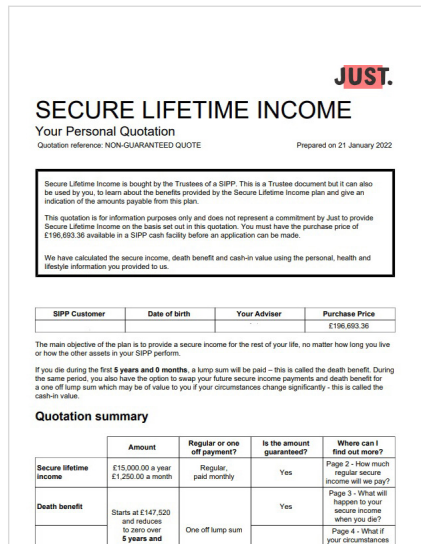
£

REQUEST QUOTE

The quote will then be displayed in a summary screen. There are then some additional documents and information that can be accessed and viewed.



You can download the SLI quote.



You can also access the quote comparison document which provides the best annuity figures from a number of leading firms, with both 5- and 10-year guarantees.

| Product                                 | Provider             | Premium     | Max. Death Benefit | Cash-In Value |
|---|----------------------|-------------|--------------------|---------------|
| Secure Lifetime Income                  | Just                 | £196,693.36 | £147,520.00        | ✓             |
| Open Market Annuity - 5 year Guarantee  | Just                 | £203,538.91 | £75,000.00         | ✗             |
| Open Market Annuity - 5 year Guarantee  | Canada Life Enhanced | £222,341.00 | £75,000.00         | ✗             |
| Open Market Annuity - 10 year Guarantee | Just                 | £215,078.66 | £150,000.00        | ✗             |
| Open Market Annuity - 10 year Guarantee | Canada Life Enhanced | £230,463.21 | £150,000.00        | ✗             |

## Producing accurate quotes

There are a number of steps you have to go through once you have created an accurate quote.

### Determine who captures the health questions

You have the option to start the process of capturing the client's personal and health questions.

OR

You can ask your client to complete the health questionnaire. This will be sent to them to complete electronically and you will be notified if it has not been completed within 5 days, or when it does get completed.

**Assuming you are capturing the information, then you will need to go through the following steps, otherwise they will be captured by the client and you will be notified once they have completed the steps.**

**Who completes:** you or the client.

You can click on each tile to enter the relevant client information.

**Accurate Quote**

Where you provide the full personal and health details of your prospective SLI customer to generate a valid quotation.

You should ensure that all details provided are accurate; providing inaccurate information would invalidate any SLI contract arising from such a quote.

**Complete the Personal and Health Questionnaire**  
Obtain an SLI illustration for a client for whom you have full personal and medical details

**START**

**Send to client**  
If you don't have all your client's health details to hand you can use this option to send the questionnaire directly to the client for them to complete.

**SEND TO CLIENT**

**Personal and Health Questionnaire**

Lifestyle Conditions

Click the tiles below to fill out the lifestyle questionnaires

Relationship Status

Height & Weight

Alcohol Consumption

Smoking Habits

Blood Pressure

Cholesterol Levels

Self Care

## Capture medical conditions

**Who completes:** you or the client.

Details of any existing medical conditions.

**Personal and Health Questionnaire**  
Lifestyle Conditions

Each tile below relates to a group of health conditions that your client may suffer from. If your client has an existing or previous diagnosis for any of these conditions, click the icon or 'Yes' button in the corresponding tile to proceed to the questions for that condition. If your client has not had a particular condition, click 'No' to skip that condition group, or select the 'No Medical Conditions' button to skip all of them.

|                         |                    |                  |        |                          |
|-------------------------|--------------------|------------------|--------|--------------------------|
| Yes No                  | Yes No             | Yes No           | Yes No | Yes No                   |
| Heart Conditions        | Diabetes           | Malignant Cancer | Stroke | Respiratory/Lung Disease |
| Yes No                  | Yes No             | Yes No           |        |                          |
| Neurological Conditions | Multiple Sclerosis | Other Conditions |        |                          |

## Determine the basis for the quote

**Who completes:** you

### Quote for income

How much income does the SLI need to generate and therefore how much will the SLI purchase cost your client.

### Quote from premium

How much is the client willing to purchase the SLI for. This basis will then show you how much income you can achieve.

**Personal and Health Questionnaire**  
Lifestyle Conditions

Each tile below relates to a group of health conditions that your client may suffer from. If your client has an existing or previous diagnosis for any of these conditions, click the icon or 'Yes' button in the corresponding tile to proceed to the questions for that condition. If your client has not had a particular condition, click 'No' to skip that condition group, or select the 'No Medical Conditions' button to skip all of them.

|                         |                    |                  |        |                          |
|-------------------------|--------------------|------------------|--------|--------------------------|
| Yes No                  | Yes No             | Yes No           | Yes No | Yes No                   |
| Heart Conditions        | Diabetes           | Malignant Cancer | Stroke | Respiratory/Lung Disease |
| Yes No                  | Yes No             | Yes No           |        |                          |
| Neurological Conditions | Multiple Sclerosis | Other Conditions |        |                          |

Once you have established this, select 'request quote'

**Quotations**  
Your SLI Premium Quotation

|                                      |                            |                              |                                   |                |        |
|--------------------------------------|----------------------------|------------------------------|-----------------------------------|----------------|--------|
| Quote date:<br>21 Jan 2022           | Premium:<br>£11,000.00     | Income rate:<br>5.49%        | Best open market lifetime annuity | REQUOTE        | DELETE |
| Earliest expiry date:<br>03 Feb 2022 | Highest income:<br>£603.96 | Guaranteed 5 yrs:<br>£612.84 |                                   |                |        |
|                                      |                            |                              |                                   | HIDE DETAILS ^ |        |

|             |                    |                        |              |
|-------------|--------------------|------------------------|--------------|
| <b>Just</b> | Income:<br>£603.96 | Expiry:<br>03 Feb 2022 | <b>APPLY</b> |
|-------------|--------------------|------------------------|--------------|

**RETURN TO PREVIOUS QUOTATIONS**

The quote will then be displayed in a summary screen, with the additional documents as detailed above. The apply button will be enabled provided the eligibility criteria has been met.

## Applying for an SLI



Prior to applying for an SLI plan, you need to ensure that the following criteria are met

- A valid quote exists within the guarantee period of 35 days since it was run
- The client is eligible for an SLI if they meet the following criteria
- They are a member of the 7IM SIPP
- They are aged 55 or over
- Have a UK address
- There is sufficient cash in crystallised assets held within the 7IM SIPP

### Quotations

#### Your SLI Premium Quotation

|                                      |                            |                       |   |                |        |
|--------------------------------------|----------------------------|-----------------------|---|----------------|--------|
| Quote date:<br>21 Jan 2022           | Premium:<br>£11,000.00     | Income rate:<br>5.49% | Best open market lifetime annuity                       | REQUOTE        | DELETE |
| Earliest expiry date:<br>03 Feb 2022 | Highest income:<br>£603.96 |                       | Guaranteed 5 yrs: £612.84<br>Guaranteed 10 yrs: £605.04 | SOF            |        |
|                                      |                            |                       |   | HIDE DETAILS ^ |        |

|             |                    |                        |   |       |
|-------------|--------------------|------------------------|---|-------|
| <b>Just</b> | Income:<br>£603.96 | Expiry:<br>03 Feb 2022 |   | APPLY |
|-------------|--------------------|------------------------|---|-------|

RETURN TO PREVIOUS QUOTATIONS

You will then be asked to provide details of the client's doctor and confirm you are happy to proceed. Once you have done that, and you are satisfied with the adviser declaration, select 'Apply' and then you will be returned to the 7IM Platform landing page.

## Tracking the status of the plan

Once the plan has been applied for, then the status of the application on the platform screens will be shown against the client. The status will initially be 'in progress' and will be changed to 'complete' once the SLI has been purchased with Just.

### Previous Applications

| Reference Number | Purchase Amount (£) | Monthly Payment (£) | Completion Date | Status      |
|------------------|---------------------|---------------------|-----------------|-------------|
| SQ-QL28L7Q       | 10,000.00           | 41.58               |                 | Complete    |
| SQ-DP58KQ3       | 10,000.00           | 25.96               |                 | In Progress |

Please note that when we calculate any applicable 7IM Platform and ongoing adviser charges. We will take into account the value of the SLI.

**JUST.**

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Seven Investment Management LLP is authorised and regulated by the Financial Conduct Authority.  
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