
Morningstar Wealth

Key Features of the SIPP and Terms and Conditions

Contents

Part 1: Key Features of the SIPP	2
Its Aims	2
Your Commitment	2
Key Risks	3
Questions and Answers	4
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Part 2: SIPP Full Terms and Conditions	9
1. The SIPP	9
2. Eligibility	9
3. Opening a SIPP	9
4. Contributions	9
5. Transferring an Existing Pension	10
6. How your Assets Are Held	10
7. Transferring Your SIPP to Another Pension Scheme Provider	11
8. Cancellation	11
9. Payment of Benefits	11
10. Purchase of An Annuity	12
11. Pension Commencement Lump Sum (PCLS)	12
12. Flexi-Access Drawdown (FAD)	12
13. Uncrystallised Funds Pension Lump Sum (UFPLS)	13
14. Capped Drawdown	13
15. Small Pot Lump Sums	13
16. Serious ill Health Lump Sum	13
17. Death Benefits	13
18. Tax Treatment of SIPP Assets	14
19. Lump Sum Allowance	14
<hr/>	
Part 3: Glossary	15

Part 1: Key Features of the SIPP

The Financial Conduct Authority requires us, Morningstar Wealth Retirement Services Limited, to give you this important information to help you to decide whether the SIPP is right for you. You should read this document carefully so that you understand what you are investing in, and then keep it safe for future reference.

The SIPP is a UK registered pension provided and operated by Morningstar Wealth Retirement Services Limited. It has been established under the Finance Act 2004 for the sole purpose of providing pension and lump sum benefits for eligible individuals.

The SIPP is a self-invested personal pension which is a type of personal pension that offers much wider investment powers than are generally available for personal pensions.

Its Aims

Your SIPP should be viewed as a long-term investment designed to provide you with a lump sum and/or income in retirement. You can use it to build up a sum of money which can then be used to provide you with an income in retirement. It can offer a lot more freedom and choice than some other types of pensions, allowing you to work with your Adviser to invest your pension fund independently and take income flexibly, subject to rules set out by HM Revenue & Customs (HMRC).

It offers a way to save efficiently and flexibly for the future and allows you to take advantage of the tax benefits of a pension. It can:

- Allow you to make regular contributions, invest lump sums and transfer in monies from previous plans to build up a pension fund;
- Provide you with a flexible pension that can meet your changing needs and personal circumstances;
- Offer access to some of your fund tax free when you start taking your pension;
- Allow one-off lump sum withdrawals;
- Provide for your beneficiaries in the event of your death;
- Allow you and your financial Adviser to make investment decisions for your future and retirement; and
- Provide access to a wide range of underlying investments.
- Allow you to purchase an annuity on the open market from a separate provider

Your Commitment

It is important you understand the product features, benefits and risks so that you can ensure the SIPP meets your needs and expectations. If anything is unclear, please speak to your financial Adviser.

You must appoint an Adviser and seek advice on whether the SIPP is right for you and on the investments, you choose to hold within your SIPP. You will maintain a relationship with your Adviser and should review your SIPP regularly. You and your Adviser should discuss your contributions and transfers into the SIPP and should also make decisions about whether and how often to take benefits from your SIPP.

You will need to make at least one payment into your SIPP. This could be a transfer from an existing pension, a contribution from you, another party e.g. spouse or parents or your employer. There is no commitment on your part to continue making contributions and there is no penalty for ceasing or reducing contributions. You must keep your money invested until the 'Minimum Retirement Age' which is normally no younger than 55 (57 from 6th April 2028). You will need to pay the charges set out in the Schedule of Fees and Charges and will maintain enough cash within your account at all times to settle these charges. Some of these charges will be payable whether or not you are making payments into the SIPP, and so you should be aware that charges can reduce the fund available to provide you with benefits.

Key Risks

There are five main areas of risk that you should be aware of when considering starting a SIPP. These are listed with further detail below.

Contributions into your SIPP

The frequency and level of contributions into your SIPP will impact the benefits that you are able to take in future. You may lose out on potential investment growth if you delay contributions into your SIPP.

There is no maximum contribution, but any contribution that exceeds your Annual Allowance may attract a tax charge.

Investments held within your SIPP

The value of the investments held within your SIPP, and the income which they generate, may fall as well as rise. This could mean that you may get back less than you invested. The performance of your chosen investments will affect the amount you get back when you retire.

Your chosen investment may not grow at the rate you anticipate or at the rates detailed in your personal illustration. Likewise, the impact of charges may be higher than you anticipate (especially if the value of your SIPP is small and the Manager deals frequently, resulting in disproportionately high trading costs) and the value of your SIPP could be eroded. In either case, you may not receive as much income in retirement as you had hoped.

Some investments may need to be held for the long term in order to achieve the desired returns and in all cases, past performance should not be taken as an indication of how your chosen investments will perform in future.

You and your Adviser will make investment decisions in relation to your SIPP; however, you should be aware that some investments carry a higher degree of risk than others. Your Adviser will provide you with full information relating to the investments selected.

Cash and investments held within your SIPP often benefit from significant tax advantages to those held outside your SIPP. However, tax rules can change and may vary depending on your individual circumstances (such as your country of residence).

Taking Benefits from your SIPP

You should be aware that your SIPP may not be sufficient as sole provision for your retirement.

If you start to take benefits earlier than you originally intended, your pension fund may not be able to sustain an income for your whole retirement.

Taking withdrawals from your SIPP will reduce the overall value of your SIPP. In particular, if you make withdrawals when investment returns are low, this increases the risk of your SIPP's value reducing quicker than expected.

The rules governing the amounts that you can draw from your SIPP may change in the future.

Charges Associated with your SIPP

The charges associated with your SIPP may change in the future. Some of these charges are subject to VAT at a rate set by HM Treasury and this rate may increase in future.

The charges and Adviser fees associated with your SIPP will erode the value of your SIPP. If the value of your SIPP falls or when investment returns are low, then the charges associated may become disproportionate and no longer be suitable to your needs.

Government Policy

The payment and withdrawal limits in place, age restrictions, associated tax benefits and tax charges and other aspects of pensions are defined by Government and are therefore subject to change in the future.

Each of these risk factors can affect the level of income that you may be able to take in retirement and so it is important that you fully understand them and discuss them with your Adviser before you proceed.

Questions and Answers

Who are the Morningstar Wealth parties involved in the SIPP?

As a style of a registered pension scheme, the SIPP is subject to a trust. The trustee to the SIPP is Morningstar Wealth Retirement Trustees Limited. The trustee holds the cash and investments within your SIPP on your behalf.

The trustee appoints Morningstar Wealth Administration Limited as custodian to provide safe custody of the cash and investments within your SIPP. Morningstar Wealth Retirement Services Limited is the operator of the SIPP and undertakes the day-to-day administration. It is authorised and regulated by the FCA and is entered on the FCA register, registration number 462660. Where we say “we”, “us” or “our” in this Key Features document, we are referring to Morningstar Wealth Retirement Services Limited as the SIPP operator.

We do not provide any financial advice, either in relation to the SIPP or your investments within. We may from time to time provide information regarding your investments, but this is solely so that you and your Adviser can make decisions and is not a recommendation from us.

Is the SIPP a Stakeholder Pension?

The SIPP is not a stakeholder pension. Stakeholder pensions are widely available and might meet your needs as well as this scheme. You should ask your Adviser what type of pension is most suitable for your needs.

Who can have a SIPP?

Most people are eligible to have a SIPP so long as they are over the age of 18 and are willing and able to make at least one contribution or transfer into the SIPP.

We may agree to admit members under the age of 18. The SIPP is open to investors who are not resident in the UK subject to certain conditions.

How do I apply for a SIPP?

To apply for a SIPP, you must complete an application form and any other relevant documentation we ask you to. Before applying, you should read this Key Features document, Investor Terms, the Schedule of Fees & Charges and the SIPP Terms. If you have any questions, you should ask your Adviser about them before applying.

How much can I pay into the SIPP?

There is no limit on the amount that you or your employer can contribute to the SIPP in any one tax year. However, there is a limit on the amount of tax relief you can obtain on your own personal contributions.

Tax relief will be available on contributions (to any personal pension, not just the SIPP) up to 100% of your taxable earnings in the tax year. If you're not currently working, or earning below £3,600, you can still make pension contributions, but you'll only receive tax relief on contributions up to £3,600.

If the total contributions paid by you and your employer to all registered pension schemes exceed either the Annual Allowance (or, after you have started to take your retirement benefits, the Money Purchase Annual

Annual Allowance:

The most you can save into all your pensions in a tax year (6 April to 5 April) before you have to pay tax. The current Annual Allowance is £60,000 (2024/25 tax year).

Money Purchase Annual Allowance:

Replaces your Annual Allowance after you've started to take certain retirement benefits from your pension(s). The current Money Purchase Annual Allowance is £10,000 (2024/25 tax year).

Lump Sum Allowance

The maximum sum an individual can withdraw from a registered pension scheme as a tax free lump sum.

This is usually 25% of the value of your pension up to a maximum tax free sum of £268,275. Where protection is held this limit maybe different as will be subject to the individuals protected sum.

Allowance), you may (depending on your personal circumstances) be subject to a charge on the excess. In certain circumstances, you may be able to carry forward unused allowances from previous periods. There is no restriction on the amount of pension fund savings that you can accumulate.

Can I transfer from other pension schemes to the SIPP?

You may be able to transfer from another registered pension scheme to the SIPP.

Before initiating a transfer, you should seek professional advice on the merits of the proposed transfer which is specific to your circumstances. Instructions to transfer pensions arrangements will only be accepted via your financial adviser.

What investment options do I have in the SIPP?

All monies received into the SIPP are invested via the Platform, which allows you to access one or more Model Portfolios that suit your investment aims following advice from your Adviser.

Can I change the investments within my SIPP?

You can make changes to the investments held within your SIPP via your Adviser.

What are the charges?

The charges for the SIPP are set out in the Schedule of Fees and Charges.

There will also be charges for the investments you choose to hold in your SIPP, as well as for the use of the Platform.

Your Adviser will also charge a fee for the work they do in assisting you to manage your SIPP. We allow the cost of financial advice to be paid from your pension fund, but we will need your prior written authority to pay these fees.

How can I find out the value of my SIPP?

We will send you a valuation statement and illustration each year. This will help you decide whether your pension arrangements are likely to meet your retirement objectives. Your Adviser can also give you access to our investor portal so that you can see the value of your SIPP online.

What will I get back?

The amount you will save for your retirement will depend on a number of factors including; the amount you pay in, the performance of the investments you choose, the charges you pay and any withdrawals you make.

How do I withdraw my money?

You can only withdraw your money when you reach the minimum age set by HMRC, which is currently 55 (57 from 6th April 2028). You do not need to have retired to take an income from your SIPP. However, you may be able to take retirement benefits at an earlier date, for example if you are suffering ill health.

In what form can I receive benefits?

You have the freedom to decide how you use your pension fund(s), and there are a number of pension benefit options open to you to make the most of your money. Subject to our agreement and meeting any HMRC conditions benefits are paid at the sole discretion of the trustee and operator of the SIPP.

To help you make your decisions, the Government has introduced a free and impartial guidance service, known as Pension Wise. Find out more about this service at <https://www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise>. This service offers guidance, not advice, about your retirement options.

While you are free to use the Pension Wise service, we insist that you have an appointed Adviser at all times to help you manage your SIPP. We may ask you to confirm that you have received advice before proceeding with certain actions like taking benefits.

There are broadly three ways in which you can take benefits from your SIPP:

Flexi-Access Drawdown allows you to take an income of whatever amount you choose in whatever frequency you choose. The maximum you can take is only limited by the value of your SIPP. Up to 25% of the amount may be taken in the form of a tax-free lump sum, with the remainder taxable as a pension payment.

Uncrystallised Funds Pension Lump Sum is a single or series of lump sums from the uncrystallised part of your SIPP (that is, the part of your SIPP that is not allocated to providing you with retirement benefits). 25% of each lump sum will be tax free, with the remainder taxable as a pension payment. These payments are subject to Lump Sum Allowance.

Capped Drawdown. No new capped drawdown arrangements can be set up after 6 April 2015, but if you have an existing capped drawdown arrangement in place, you may continue to take benefits in this way. Capped drawdown allows you to choose to take income up to a maximum limit set by HMRC rules.

The maximum limit is recalculated at least every three years if you are under 75, and every year if you are 75 or over. This recalculation could mean your maximum level of income may reduce or increase. If you choose an income over the maximum limit, your capped drawdown will automatically convert to flexi-access drawdown, and you will become subject to the Money Purchase Annual Allowance.

Taking your retirement income in one of these ways allows you to continue to benefit from the potential for investment growth in your SIPP, because your SIPP will remain invested in the investments you have chosen.

As an alternative, you can also use some, or all, of your SIPP to purchase an annuity from an insurance company. If you choose to purchase an annuity, you exchange your SIPP for a promise from the insurance company to pay a guaranteed income to you for the rest of your life or for a fixed number of years.

Pension payments from us are subject to PAYE and are payable monthly on the 25th of each month. Where the 25th falls on a weekend or bank holiday, the payment will be made on the working day immediately before the 25th.

You can commence, modify or stop taking pension payments by letting us know by the 12th of the month. If you let us know later than this, the change will take effect the following month. Pension payments can only be made where the trustee has available funds to do so.

What happens to my pension fund when I die?

If you die before reaching age 75, your SIPP can be paid out as one or more lump sums and/or pension payments without tax being payable. Normally no income tax or inheritance tax will be payable on a lump sum paid in this way, although it will be subject to the Lump Sum Death Benefit Allowance.

On death after 75, tax charges will be applicable on payments from the SIPP at the beneficiaries' marginal tax rate. A marginal tax rate means the tax rate applicable to an individual's "next £1 of income", i.e. having already factored in any personal allowance and other income.

Can I transfer to another pension scheme?

You can transfer part or all of your SIPP to another UK registered pension scheme providing that the scheme meets all necessary conditions.

Transfers to a "Recognised Overseas Pension Scheme" require a great deal more due diligence and even where the scheme appears on the 'ROPS list' provided by HMRC, we may, where we consider it in your best interests, refuse to make the transfer.

Transfers to ROPS will be tested against the Overseas Transfer Allowance.

Transfers to a new scheme can be either cash or investments or a combination of the two. However, you should be certain that your new pension scheme can accept the Assets that you wish to transfer before instructing us.

If you want to transfer your pension after you have started taking benefits, the entire amount of your SIPP that has been used to provide these benefits must be transferred to the new pension scheme at the same time.

Please note Morningstar Wealth Administration Limited as custodian may charge to sell the investments (and transfer your SIPP in cash) or to re-register the Assets to the new pension scheme.

Can I change my mind?

You have 30 days from the date you receive our confirmation that we have opened your SIPP to write and tell us of your change of mind. You also have 30 days from being notified of your rights to cancel a request to transfer an existing pension into your SIPP.

If you wish to change your mind, please do so by writing to us at 1 Oliver's Yard, 55-71 City Road, London, EC1Y 1HQ. By cancelling your SIPP, your agreement with us to provide your SIPP comes to an end and we will return any monies we have received, less any fall in value as a result of fees, charges and/or negative investment returns.

If you made a contribution into your new SIPP, a refund of that amount will be returned to you, your employer or the person that made the contribution, less any fall in market value and associated investment charges should the money have been invested.

If you cancel a pension transfer into your SIPP it will be returned to the previous scheme or an alternative pension scheme of your choice (provided this meets HMRC rules), less any fall in value as a result of fees, charges and/or negative investment returns. Please be aware, the scheme that originally transferred the money is under no obligation to take the funds back.

Please ensure you discuss the cancellation with your Adviser, there may be other charges that you have agreed to pay your Adviser where the payment was not made by us and therefore cannot be refunded by us.

What if there is a conflict of interest?

Where we have a material interest in a transaction or a relationship with another party which may involve a potential conflict with our duty to you, then we will take all appropriate steps to manage that conflict of interest. This will be done in a way which ensures all customers are treated fairly. For further details of our conflicts of interest policy please visit <https://morningstarwealthplatform.com/legal-policies/>, alternatively you can request a copy from us or from your Adviser.

How would I make a complaint?

We hope you will never be unhappy with our service. If this does happen, your first step is to contact your Adviser to discuss your concerns and we will aim to resolve them straightaway. Alternatively, you may contact us directly at the details below.

Email: pensionsinfo.MWP@morningstar.com

Address: Morningstar Wealth Retirement Services Limited

1 Oliver's Yard, 55-71 City Road

London EC1Y 1HQ

Telephone: +44(0) 808 178 5125 (Monday to Thursday 9.00am to 5.30pm & Friday 9.00am to 5.00pm)

If you are not satisfied with our response, you have the right to refer your complaint to the Financial Ombudsman Service. They can be contacted at:

Financial Ombudsman Service

Exchange Tower

Harbour Exchange

London

E14 9SR

www.financial-ombudsman.org.uk/

You may also refer to the Pensions Ombudsman Service. They can be contacted at:

The Pensions Ombudsman

10 South Colonnade

Canary Wharf

E14 4PU

<https://www.pensions-ombudsman.org.uk/>

A guide to how we handle complaints is available at <https://morningstarwealthplatform.com/en-uk/policies-legal/>

Is the SIPP covered by the Financial Services Compensation Scheme (“FSCS”)?

We are covered by the FSCS in respect of our administration of your SIPP. If you have a valid claim against us and we are unable to meet our liabilities in full (for example, because we have gone into administration), you may be entitled to compensation from the FSCS. The maximum level of compensation at time of writing would be £85,000 across all claims relating to us.

Your cash and investments are always held with Morningstar Wealth Administration Limited as custodian and therefore separate from our own accounts and from those of the investment providers. As such, your cash and investments are ringfenced and any insolvency practitioner appointed over our affairs should be obliged to return your cash and investments to you as part of our wind-down process.

If your investment provider fails, as long as you have selected one covered by the FSCS (and the investment documentation will tell you this), you may be eligible to claim on the FSCS in respect of their failure.

All the deposit takers the custodian uses to hold your cash are covered by the FSCS. If any such deposit taker we use fails, your cash remains segregated and you should be covered by the FSCS up to the prevailing rate (currently £85,000) for each separately authorised deposit taker (the limit relates to all of your savings with the banking licence holder not just your cash holding within the SIPP), subject to eligibility for compensation.

For further information, please visit the FSCS website (www.fscs.org.uk).

Part 2: SIPP Full Terms and Conditions

This section contains our terms and conditions for investors who wish to open a personal pension on the Platform. Our personal pension is operated by Morningstar Wealth Retirement Services Limited ("the SIPP"). These terms apply alongside the Investor Terms provided. You should read this document carefully and then keep it safe for future reference.

In this section the words "we", "us" and "our" mean Morningstar Wealth Retirement Services Limited as operator of the SIPP.

1. The SIPP

- 1.1. The SIPP is a UK registered pension scheme, established under the Finance Act 2004 for the sole purpose of providing pension and lump sum benefits for eligible individuals.
- 1.2. The operator of the SIPP is Morningstar Wealth Retirement Services Limited. We are authorised and regulated by the FCA and entered on the FCA register under number 462660. These details can be verified on the FCA register by visiting the FCA's website at <https://www.fca.org.uk/firms/financial-services-register> or by contacting the FCA. The FCA's address is FCA Head Office, 12 Endeavour Square, London, E20 1JN.
- 1.3. The SIPP is subject to a trust. The trustee is Morningstar Wealth Retirement Trustees Limited. The trustee merely owns the cash and Assets within the SIPP; it does not need to be regulated by the FCA to do this. The SIPP is administered according to the trust deed and rules (which are available on request from us), these SIPP Terms and Applicable Law.

2. Eligibility

- 2.1. By applying for our SIPP, you confirm that you are eligible for a SIPP. You cannot open a SIPP jointly with anyone else. You are eligible to open a SIPP if you are:
 - a. aged 18 or over; and
 - b. invest through the Platform.
- 2.2. We may in our absolute discretion accept or refuse an application for a SIPP.
- 2.3. We may ask you to provide proof of your status and eligibility for a SIPP before we accept your application.
- 2.4. We may, at our sole discretion, accept applications for a SIPP from individuals under the age of 18.
- 2.5. The SIPP is open to investors who are not resident in the UK subject to certain conditions.
- 2.6. The SIPP may not be suitable for investors who are not resident in the UK, and/or may not be accessible due to regulations in force in their place of residence. You should check with your Adviser prior to making an application.
- 2.7. You must write and tell us if you cease to be eligible to hold your SIPP in the future.

3. Opening a SIPP

- 3.1. If you wish to open a SIPP for the current tax year, your application together with the funds must be received by us not later than five Business Days before the end of the tax year (5 April of each year). This is due to the time required for the instruction to be processed and your funds to be cleared for investment.
- 3.2. If you wish to ensure that the first contribution via Direct Debit into your SIPP is made in the current tax year you must ensure your application is received by us by the 25 February in that year. Applications received after will be processed as soon as practicable, but the first payment may not be collected until after 5 April, in which case your SIPP contribution would fall into the next tax year.

4. Contributions

- 4.1. Contributions into your SIPP can be made by you, your employer or a third party on your behalf.

- 4.2. There is no maximum contribution; however, the Annual Allowance applies and any contribution that is in excess of the Annual Allowance may attract a tax charge.
- 4.3. Personal contributions in excess of your UK taxable earnings or £3,600, whichever is greater, will not attract tax relief.

Your "Annual Allowance" is the most you can save into your pensions in a tax year (6 April to 5 April) before you have to pay tax. Any contribution that is in excess of the Annual Allowance may attract a tax charge.

It is possible to carry forward unused portions of the Annual Allowance for the previous three tax years.

You should seek confirmation of the current Annual Allowance prior to making a contribution.

- 4.4. Member contributions are traditionally made on a 'net basis'. This means that the contribution is paid net of basic rate tax. We reclaim the basic rate tax from HMRC, which is then paid into your SIPP. Any higher rate relief which is due can be reclaimed by you through your Self-Assessment Tax Return, or in a PAYE coding change.
- 4.5. Tax relief on net member contributions is not available where the member is older than 75 years.
- 4.6. We and the trustee accept no liability for any tax charges or penalties resulting from contributions made to your SIPP which are not eligible for tax relief.
- 4.7. We will not claim any tax relief on contributions made by your employer.
- 4.8. Before making a contribution to your SIPP, you should discuss it with your Adviser.

5. Transferring an Existing Pension

- 5.1. We accept transfers in cash into your SIPP from other UK registered pension schemes, recognised overseas pension schemes and pension credits. All other requests for transfers in will be reviewed at our discretion.
- 5.2. Transfers may be made before or after you have started to take your retirement benefits.
- 5.3. In order to transfer in an existing pension, you should ensure that the trustees of the existing scheme will allow a transfer out and agree to meet all costs and charges applicable to such a transfer.
- 5.4. We may, acting in our sole discretion, accept transfers in the form of assets other than cash.
- 5.5. Morningstar accepts no liability for any penalties, charges or liabilities arising from the transfer of benefits from an existing scheme.
- 5.6. Transfers in from another pension scheme to your SIPP do not affect your Annual Allowance.
- 5.7. We strongly recommend you seek advice from your Adviser before transferring your pension. Where the transfer includes "safeguarded benefits" (pensions which include some form of guarantee, such as final salary pensions), you must be able to demonstrate that you have received specific regulated advice in relation to this, or we will not be able to accept the transfer.
- 5.8. You will be responsible for any claims, losses, expenses, additional tax charges or any penalties that we or the original scheme incur as a result of any incorrect, untrue, or misleading information made in your application, or any failure on your part to comply with any aspect of the transfer process. This includes where you have been asked to provide any original document(s) in return for the transfer of funds and you are unable to do so.

6. How your Assets Are Held

- 6.1. You are, and at all times will remain, the beneficial owner of the Assets held in your SIPP. Investments made by you will be held on your behalf, in the name of the trustee. The trustee has appointed Morningstar Wealth Administration Limited as custodian to provide safe custody of the cash and investments within the SIPP.

- 6.2. Your Assets will be held in accordance with clause 4 (How we hold your money) and clause 6 (How we keep your investments safe) under Section A of these Terms and Conditions.
- 6.3. The SIPP holds a number of pooled bank accounts (in the trustee's name) to hold money for all of our SIPP clients, but each person's entitlement will be separately identified and recorded. One or more pooled bank accounts may be used for your SIPP.

7. Transferring Your SIPP to Another Pension Scheme Provider

- 7.1. You have the right to transfer your SIPP to another UK registered pension scheme or recognised overseas pension scheme.
- 7.2. We will transfer out the value of your SIPP on receipt of confirmation from the trustees of the receiving scheme that they are willing to accept the transfer and upon satisfactory completion of any due diligence that we may require.
- 7.3. We will complete all transfers as soon as reasonably practical after receipt and acceptance of the relevant paperwork from your new scheme provider. Should the transfer criteria, including full details of the receiving scheme, not be met there may be a delay in transferring your SIPP.
- 7.4. Subject to agreement from the other provider, we will allow you to transfer out your investments in either cash or by re-registering your investments.
- 7.5. We strongly recommend you seek advice from your Adviser before transferring your SIPP to another provider.
- 7.6. Thousands of people have lost their life savings after falling for pension scams. You could lose all of your money and face charges and a tax bill from HMRC if you fail to comply with the rules relating to the withdrawal of your pension savings. Please refer to <https://www.fca.org.uk/scamsmart/how-avoid-pension-scams> for further information.

8. Cancellation

- 8.1. You have a right to cancel your SIPP by giving us notice in writing within 30 days from the date you receive our confirmation that your SIPP is open. You also have 30 days from being notified of your rights to cancel a request to transfer an existing pension into your SIPP.
- 8.2. By cancelling your SIPP, your agreement with us to provide your SIPP comes to an end and we will return any monies we have received.
- 8.3. If you made a contribution into your new SIPP, a refund of that amount will be returned to you, your employer or the person that made the contribution, less any fall in market value, and associated investment charges should the money have been invested.
- 8.4. If you cancel a pension transfer into your SIPP it will be returned to the previous scheme or an alternative registered pension scheme of your choice (provided this meets HMRC rules), less any fall in value as a result of fees, charges and/or negative investment returns.
- 8.5. You acknowledge that there may be other charges that you have agreed to pay your Adviser that cannot be refunded by us.

9. Payment of Benefits

- 9.1. Withdrawals from your SIPP are subject to limits placed on them by HMRC, including that you normally cannot take benefits from your SIPP before your Minimum Retirement Age.
- 9.2. The benefits available from your SIPP include but are not limited to;
 - a. Purchase of an annuity from an insurance company
 - b. Pension Commencement Lump Sum (PCLS)
 - c. Flexi-Access Drawdown (FAD)
 - d. Uncrystallised Funds Pension Lump Sum (UFPLS)
 - e. Capped drawdown
 - f. Small pot lump sums

- g. Serious ill-health lump sum
 - h. Lump sum death benefit
- 9.3. Before taking benefits from your SIPP, we must receive a fully completed and signed benefit request form. Failure to submit complete and accurate information may result in the payment of your benefits being delayed.
- 9.4. Where you request payment of benefits, the valuation of your SIPP will be based upon the last known price that we can obtain for the investments held within your SIPP.
- 9.5. You should seek advice from your Adviser before requesting a payment of benefits.

The "Minimum Retirement Age" is the minimum age at which you can normally take benefits from a pension scheme. It is currently age 55 (57 from 6th April 2028).

You may be able to take benefits before the age of 55 (57 from 6th April 2028), if you have a protected low pension age or if you become entitled to a serious ill-health lump sum.

10. Purchase of An Annuity

- 10.1. It is not compulsory to purchase an annuity however, you may use some or all of the value of your SIPP to purchase an annuity at any time after your Minimum Retirement Age.
- 10.2. An annuity can be purchased from a third party (usually an insurance company). It provides you with a set level of income for the rest of your life in exchange for a capital sum.
- 10.3. You and your Adviser are responsible for sourcing an annuity provider and deciding on the best annuity option for you.

11. Pension Commencement Lump Sum (PCLS)

- 11.1. You will normally be eligible to take a portion of your SIPP as a Pension Commencement Lump Sum (PCLS).
- 11.2. The maximum PCLS available to you will normally be restricted to 25% of the total value of the unvested value of your SIPP (the part of your SIPP which has not yet been used to take pension benefits). A different amount may be available if you have 'Transitional Rights' (the mechanism set up by the HMRC when they simplified the pensions tax regime from 6 April 2006 to protect rights built up before that date).
- 11.3. You do not have to take your maximum PCLS entitlement in one go and have the option to take tranches as you require however, there may be additional charges for doing so.

12. Flexi-Access Drawdown (FAD)

- 12.1. You can use all or part of your SIPP to set-up Flexi-Access Drawdown (FAD). FAD allows you to take an income of whatever amount you choose in whatever frequency you choose.
- 12.2. You can take up to 25% of the value tax free and any further withdrawals taken will be taxed at your marginal income tax rate in accordance with the tax code we receive from the HMRC for you.
- 12.3. There is no upper or lower limit to how much income you can take from your SIPP as FAD.
- 12.4. By drawing pension income under FAD, you will become subject to the Money Purchase Annual Allowance, and you will no longer be permitted to carry forward unused Annual Allowance from previous years.

- 12.5. Members who were in Flexible Drawdown as of 5 April 2015 automatically converted to FAD from 6 April 2015.

Your "marginal income tax rate" means the tax rate applicable to your "next £1 of income", i.e. having already factored in any personal allowance and other income.

Your "Money Purchase Annual Allowance" replaces your Annual Allowance after you have started to take retirement benefits from your pension(s).

13. Uncrystallised Funds Pension Lump Sum (UFPLS)

- 13.1. Uncrystallised Funds Pension Lump Sum (UFPLS) is a single payment where 25% of the total withdrawal amount will be tax free and the rest taxable at your marginal income tax rate.
- 13.2. There is no upper limit on the amount of the payment under a UFPLS, subject to there being available Lump Sum Allowance (LSA).
- 13.3. By drawing funds under UFPLS you will become subject to the Money Purchase Annual Allowance, and you will no longer be permitted to carry forward unused Annual Allowance from previous years.

14. Capped Drawdown

- 14.1. This option is only available if you had started capped drawdown before 6th April 2015.
- 14.2. Capped drawdown enables you to have access to an income subject to the maximum levels prescribed by HMRC in accordance with tables produced by the Government Actuary's Department.
- 14.3. The maximum annual pension available to you must be recalculated every three years until age 75 and annually thereafter.
- 14.4. You or your Adviser may request an ad-hoc review at any time. This will be conducted at our sole discretion and may be chargeable.
- 14.5. You can increase, decrease, stop and restart your income, provided that your income doesn't exceed the maximum income.
- 14.6. If you want to change the level of your income, you must tell us at least ten Business Days before the next payment date.
- 14.7. You may switch from capped drawdown to FAD at any time by letting us know in writing.
- 14.8. Once you convert to FAD you will not be able to revert back to capped drawdown.

15. Small Pot Lump Sums

- 15.1. Under the small pot rules, you may take all your pension benefits in the form of a one-off lump sum provided you meet certain criteria set by HMRC.
- 15.2. To be eligible to take your benefits under the small pot rules you must be aged 55 (57 from 6th April 2028). or over and the value of all benefits held under registered pension schemes in your name must be below the limit set by HMRC.

16. Serious ill Health Lump Sum

- 16.1. If we receive evidence from a registered medical practitioner that you are expected to live for less than twelve months, then you may have the option of taking the full value of your SIPP as a serious ill-health lump sum.

17. Death Benefits

- 17.1. When you die, your beneficiaries will be entitled to receive benefits from your SIPP.

- 17.2. The trustee will have full discretion over how and to whom death benefits should be paid and as a result, any death benefits paid from your SIPP will normally fall outside of your estate for inheritance tax purposes.
- 17.3. The trustee will be guided by any nomination or request made by you or your dependent(s) as well as all other relevant facts, circumstances and Applicable Law.
- 17.4. You must indicate the nominated beneficiaries of your SIPP on your application form. Subsequently, you may nominate or amend your beneficiaries at any time by writing to us.
- 17.5. You may also opt to leave some or all of your benefits to a charity. Such payments are free from tax irrespective of your age when you die.
- 17.6. If you die before age 75, at the trustees' discretion the following benefits may be payable:
 - a. A lump sum death benefit: Subject to Applicable Law, we will pay out the total value of your SIPP as a lump sum, subject to the Lump Sum Death Benefit Allowance.
 - b. A beneficiary's pension: Your nominated beneficiary may choose to receive a pension income rather than a lump sum death benefit. This can be done from a SIPP with us or, by transferring to another provider or by purchasing an annuity; or
 - c. A combination of the above.

We will make the options clear to your beneficiaries at the time of your death who can then instruct the trustee in writing as to their preferred option.
- 17.7. If you die after age 75 then the options available to your nominated beneficiaries remain the same as if you had died before age 75 however, if death occurs after age 75 then the benefits paid from your SIPP will be taxable on the recipient at their highest marginal rate of tax.

18. Tax Treatment of SIPP Assets

- 18.1. Tax is not payable on any income received or on any gain on investments within your SIPP where you are UK resident.
- 18.2. If you are resident in a country outside of the UK, then you may be required to report investment returns or income on your tax return. We will not do this on your behalf and will not be liable for your failing to do so. If you are unsure, then you should seek specific local tax advice.
- 18.3. Where income tax has been deducted from interest or investment income, we will reclaim tax from HMRC on your behalf where appropriate. The tax reclaims will be paid back to your SIPP.
- 18.4. The tax treatment of your SIPP depends on your individual circumstances and may be subject to change in the future.

19. Lump Sum Allowance

- 19.1. The level of tax free cash you can draw from your pension is subject to the Lump Sum Allowance.
- 19.2. Should you hold protection that is subject to the Lump Sum Allowance then please provide us with a copy of your protection certificate.
- 19.3. Any payment paid in excess of the Lump Sum Allowance will be subject to tax at your marginal rate.

Part 3: Glossary

The definitions below apply throughout this Agreement.

Term	Meaning
Adviser	The person and/or firm named on your application form who gives you financial advice in relation to your investments on the Platform and is responsible for assessing the suitability for you of investing via the Platform.
Adviser Charge	The initial, ad-hoc and/or ongoing fee that you have agreed to pay your Adviser.
Agreement	The Terms and Conditions, application form and Schedule of Fees and Charges. These form the contractual agreement with Morningstar Wealth Administration Limited for the provision of the Service and (as applicable) the ISA/JISA and Morningstar Wealth Retirement Limited and the trustee for The SIPP.
Applicable Law	All applicable laws, rules and regulations, as well as any guidelines and codes (whether or not having the force of law) issued by a regulator (including the FCA Rules), and the rules and customs of the exchange or market and/or any clearing house through which the transactions are executed.
Asset(s)	Collective investment schemes (also known as funds), cash, stocks, shares, bonds, money market instruments and other securities including documents and evidence of title to them, in each case held within a Model Portfolio.
Associate	In relation to a person: <ul style="list-style-type: none">• an undertaking in the same group as that person;• an appointed representative of the first person or of any undertaking in the same group; and• any other person whose business or domestic relationship with the first person or its Associate might reasonably be expected to give rise to a community of interest between them which may involve a conflict of interest in dealings with third parties.
Business Day	Any day on which the London Stock Exchange is open.
Custodian	Morningstar Wealth Administration Limited, in its capacity as the FCA authorised person appointed by you to provide safe custody and execution services as part of the Service.
FCA	The Financial Conduct Authority or any other regulatory body which may assume its regulatory responsibilities from time to time.
FCA Rules	The handbook of rules and guidance made by the FCA under the Financial Services and Markets Act 2000 as amended or replaced from time to time.
Investment Mandate	The particular investment objective and policies which will be provided by the Manager and may take the form of a brochure.
ISA	Individual Savings Account as stated in The Individual Savings Account Regulations 1998 No.1870 including any regulations that may replace them and amendments to them.
ISA Terms	The terms and conditions of the agreement between the ISA manager and you in relation to the provision of the ISA.
JISA	Junior Individual Savings Account as stated in The Individual Savings Account Regulations 1998 No.1870 including any regulations that may replace them and amendments to them.

Term	Meaning
JISA Terms	The terms and conditions of the agreement between the JISA manager and you in relation to the provision of the JISA.
Manager	The FCA authorised person identified on the application form as being the person charged with managing the Model Portfolio(s) you have chosen in accordance with the selected Investment Mandate(s).
Model Portfolio	A selection of one or more investments (including their percentage weightings) set by the Manager(s) on the Platform.
Onshore or Offshore Bond	A type of Product available on the Platform provided by a TPP.
Platform	The platform operated by Morningstar Wealth Administration Limited which allows you to access a range of Model Portfolios via a number of Products.
Product	A wrapper such as an ISA, JISA, Onshore or Offshore Bond or The SIPP, or other pensions provided by TPPs, as well as a GIA. Each with their own specific tax treatments.
Schedule of Fees and Charges	The schedule of fees provided to you by your Adviser when applying for a Product, including fees and charges for use of the Service and applicable Product-related fees which may be provided as a separate document.
Service	The provision of the Platform and related services (including custody, trading in investments and associated administration services) to you by Morningstar Wealth Administration Limited.
SIPP Terms	The terms and conditions of the agreement between the SIPP operator, trustee and you in relation to the provision of The SIPP.
Terms and Conditions	The terms and conditions which form part of our Agreement with you as set out in Section A and (as applicable) the ISA, JISA and SIPP Terms.
The SIPP	A self-invested personal pension available on the Platform and operated by Morningstar Wealth Retirement Services Limited.
TPP	A third party product provider distinct from Morningstar Wealth Administration Limited whose Product(s) are available on the Platform.
you/your	All persons (including trustees, successors, and personal representatives) or, in the case of a Junior ISA, an eligible child or Registered Contact who invests through the Platform or is named as such on the application form.
Writing	Writing or written includes e-mail and the Portal but not faxes or any other form of electronic communication, except where expressly provided to the contrary

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