

Morningstar Wealth Retirement

Key Features of the

SIPP

Important information that you need to read and understand before you invest. The Financial Conduct Authority (FCA) is the financial services regulator. It requires us, Morningstar Wealth Retirement Services Limited (the Operator), 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.

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PART 1: Key features of the SIPP

What is the SIPP?

The SIPP is a UK registered pension, 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 (SIPP). A SIPP is a type of personal pension that offers much wider investment powers than are generally available for personal pensions. It is an individual contract between you and the Operator.

Its aims

The SIPP is a personal pension plan designed to help you save for your retirement. You can use it to accumulate a sum of money which can then be used to provide you with an income at any time after your Minimum Retirement Age. It can offer a lot more freedom and choice than some other types of pension, allowing you to work with your Financial 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 commence your pension
- Allow one-off lump sum withdrawals
- Provide for your beneficiaries in the event of your death
- Allow you to purchase an annuity on the open market
- Allow you and your Adviser to make personal investment decisions for your future and retirement
- Provide access to a wide range of underlying investments.

Your commitment

You must ensure you understand the product features, benefits and risks so that you can ensure the SIPP meets your needs and expectations.

You must appoint a Financial Adviser and seek advice in relation to the establishment of your SIPP. You will maintain a relationship with your Financial Adviser and commit to reviewing your SIPP regularly. You and your Adviser should discuss the level and frequency of contributions and transfers and should also make decisions about whether or not to take benefits from your SIPP and the frequency and level of those benefit payments.

You will make at least one payment into your SIPP. This could be a transfer from an existing pension or a contribution from you 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 be prepared to keep your money invested until the Minimum Retirement Age which is normally no younger than 55. You will be required to pay the charges set out in the SIPP Schedule of Fees & Charges and will maintain enough cash within your account at all times to settle these charges. Some of these charges will accrue whether or not you are contributing, and you should be aware that charges can reduce the fund available to provide you with benefits.

Risks

There are four main areas of risk that you should be aware of when considering starting a SIPP. These are:

- Contributions & transfers into your SIPP
- Investments held within your SIPP
- Taking benefits from your SIPP
- Charges associated with your SIPP

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 Financial Adviser before you proceed

Contributions & transfers into your SIPP

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

Contributions are normally subject to tax relief at your highest marginal rate of tax. Failure to supply us with correct personal tax information may lead to a delay in tax reclaims or could mean that you are subject to penalties levied by HMRC.

There is no maximum contribution however any contribution that is in excess of the Annual Allowance may attract a tax charge. The Annual Allowance of £40,000 for the current tax year 2020/21 applies. You should seek confirmation of the current Annual Allowance prior to making a contribution. We will accept no liability for any tax charges or penalties resulting from contributions made to your SIPP which are not eligible for tax relief.

Before making a contribution to your SIPP, you should discuss it with your Financial Adviser.

Investments held within your SIPP

The value of the investments held within your SIPP, and the income derived from them, may fall as well as rise. This could mean that you may get back less than you have invested. The performance of your chosen investments will affect the amount you get back by way of an income in retirement.

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 chosen investment may not grow at the rate you anticipate or at the rates detailed in your personal illustration.

If the value of your SIPP is small and the model manager deals frequently then trading costs may be disproportionately high and the value of the fund that you will rely on in retirement could be eroded.

The rules relating to tax on capital gains and income from investments can change and may vary depending on your country of residence.

We do not provide any financial advice, including but not limited to, advice relating to the investments held within your SIPP. We may from time to time, provide information regarding your investments; however, this is solely so that you and your Financial Adviser can make decisions and any information received should not be considered a recommendation.

Taking benefits from your SIPP

If you start to take benefits earlier than you originally intended, then your pension fund may not be able to sustain the full duration of your retirement. Taking withdrawals from your SIPP will erode the capital value of your fund, therefore if you make withdrawals when investment returns are low, this could lead to your pension fund value being eroded quicker than expected. You should be aware that your SIPP may not be sufficient as sole provision for your retirement. Cash and investments held within your SIPP may benefit from significant tax advantages to those held outside your SIPP. Legislation in relation to the amounts that you can draw from your pension fund may change in the future.

Charges associated with your SIPP

The charges associated with your SIPP are detailed in the Schedule of Fees & Charges. These charges are subject to change and 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.

When investment returns are low, the charges associated with your SIPP can erode the value of your capital. If the value of your SIPP falls, then the charges associated may become disproportionate and no longer be suitable to your needs.

There may be further charges in addition to those noted in the SIPP Schedule of Fees & Charges including but not limited to; Fund charges, Discretionary Fund Management charges, Platform charges, Trading charges and Custodian charges.

Your Financial Adviser will charge a fee for the work they do in assisting you to manage your SIPP. Any Adviser charges should be agreed up front and expressly documented.

Questions and answers

What is the SIPP?

The account is a type of registered pension scheme known as a Self-Invested Personal Pension (SIPP), which allows you and your Financial Adviser to make your own investment decisions that affect your retirement.

Your SIPP should be viewed as a long-term investment designed to provide you with a lump sum and/or income in retirement. As a style of a registered pension scheme, the SIPP is subject to a trust, the parties of which are outlined below.

Who is the Trustee of the SIPP?

The Trustee to the SIPP is Morningstar Wealth EMA Trustees Limited (company number 11525156). The Trustee owns the cash and assets within your SIPP but holds them for your benefit. The Trustee appoints an Operator to the pension scheme that has regulatory responsibility for the administration of your SIPP.

Who is the Operator of the SIPP?

The Operator of the SIPP is Morningstar Wealth Retirement Services Limited (company number 3121034). Morningstar Wealth Retirement Services Limited is authorised and regulated by the Financial Conduct Authority (FCA) and is entered on the FCA register, registration number 462660.

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 Financial Adviser what type of pension is most suitable for your needs.

Who can have a SIPP?

The SIPP is open to investors who are not usually resident in the UK and who have received Financial Advice in the jurisdiction or territory where they are ordinarily resident.

Non-UK resident investors 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 scheme.

The Operator may at its sole discretion admit members under the age of 18. For investors under the age of 18, the Application must be signed by a parent or guardian.

How do I apply for a SIPP?

To apply for a SIPP you must complete an application form and any other relevant documents. We will acknowledge receipt of your application form and supporting documents.

Before completing the form, you should have read and fully understood this Key Features document and the Schedule of Fees & Charges.

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 personal contributions. Tax relief (at your marginal rate of income tax) will be available on contributions up to 100% of your taxable earnings in the tax year, or up to £3,600 gross regardless of your earnings. If the total contributions paid by you and your employer to all registered pension schemes exceed the Annual Allowance (£40,000 in 2020/21), you may be subject to an Annual Allowance Charge of up to 45% on the excess, depending on your personal circumstances. In certain circumstances, you may be able to carry forward unused annual allowance from previous periods. There is no restriction on the amount of pension fund savings that you can accumulate. However, where the total value of all your pension savings to registered pension schemes exceeds the lifetime allowance set by HMRC, you may be subject to a lifetime allowance charge. The Lifetime Allowance is £1,073,100 for tax year 2020/21.

Can I transfer from other pension schemes to the SIPP?

Yes. You may be able to transfer from another registered pension scheme to the SIPP. The SIPP is also able to receive existing accrued contracted-out benefits.

Before initiating a transfer you should seek professional advice on the merits of the proposed transfer which is specific to your circumstances. You must have sought specific advice from your Financial Adviser before we consider accepting transfers from Defined Benefit (Final Salary) schemes.

All transfers are accepted at the sole discretion of the Operator of the SIPP.

What investment options do I have in the SIPP?

All monies received into the SIPP are invested via the Morningstar Platform.

The Morningstar Platform makes it simple for your financial adviser to administer and manage your money either by appointing a discretionary investment manager or by selecting suitable investments for you. Each of the services offered is designed for use by your Adviser so that it matches their particular way of doing business.

This allows them to manage your investments efficiently, flexibly and transparently over the medium-to-long-term and in accordance with your needs and investment goals.

Can I change the investments within my SIPP?

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

How can I find out the value of my SIPP?

We will send you a valuation statement and illustration each year on the anniversary of the establishment of your SIPP. This will help you decide whether your pension arrangements are likely to meet your retirement needs. Your adviser can also give you access to an investor portal so that you can see the value of your investments on-line.

What is the cost of my SIPP?

All fees and charges are detailed in the SIPP Schedule of Fees & Charges.

There may be further charges in addition to those noted in the SIPP Schedule of Fees & Charges including but not limited to; Fund charges, Discretionary Fund Management charges, Platform charges, Trading charges and Custodian charges.

How much will the advice cost?

We do not offer financial advice in relation to any aspect of your retirement planning, including but not limited to, the establishment of your SIPP, contributions and transfers into the scheme, investment decisions and decisions relating to when and how you take benefits.

Your Adviser will charge a fee for the work they do in assisting you to manage your SIPP. Any Adviser charges should be agreed up front and expressly documented.

We allow the cost of financial advice to be paid out of your pension fund, but before any such payments are made we will require your prior written authority.

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 Investment returns, the charges you pay and any withdrawals you make.

How do I withdraw my money?

You have the freedom to decide how you use your pension fund(s) at retirement, and there are a number of pension benefit options open to you to make the most of your money.

You can only withdraw your money by taking an income when you reach the minimum age set by HMRC. The minimum age for taking income from your SIPP is currently 55. You do not need to have retired to take an income from your SIPP.

If you are suffering ill health or your transfer is subject to certain transitional legislation, you may be able to take retirement benefits at an earlier date.

You can use some, or all, of your SIPP to buy an annuity at any time from age 55.

To help you make your decisions the Government has introduced a free and impartial pensions guidance service, known as Pension Wise. You can find out more about this service at www.gov.uk/pensionwise. This service offers guidance not advice about your retirement options, you should seek advice about your options from your Financial Adviser.

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

In what form can I receive benefits?

Benefits are paid at the sole discretion of the Trustee and Operator of the SIPP. Subject to their agreement and meeting the conditions set out by HMRC, you may take benefits at any time after age 55. There are broadly three ways in which you can take benefits from your SIPP:

- Flexi-Access Drawdown (FAD) 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 you take comes in the form of a tax-free lump sum, with the remainder taxable as pension under PAYE.
- An Uncrystallised Funds Pension Lump Sum (UFPLS) is a single or series of lump sums from uncrystallised funds. 25% of each lump sum will be tax free, with the remainder taxable as if it were a pension under PAYE.
- If you have an existing Capped Drawdown fund. Then you may continue to take benefits in this way. This allows you to choose to take income up to a maximum limit set by HMRC rules, or to take no income. The maximum limit will be 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, the amount in Capped Drawdown will automatically convert to flexi-access drawdown.

Taking an income allows you to continue to benefit from the potential for investment growth in your SIPP.

You need to think about the level of income you require, bearing in mind any other sources of income you may have, as well as rises in the cost of living and the need to provide for your beneficiaries. You can vary the income level at any time.

Any new request for income or a lump sum will normally be assessed against your personal Lifetime Allowance at the time, and a tax charge may result if the amount taken, accumulated with any past amounts from this or any other registered pension schemes, exceeds your Lifetime Allowance.

At what point do I purchase an annuity?

There is no requirement to purchase an annuity at any time however, you can do so under advice from your Financial Adviser at any time after your 55th birthday.

You and your Financial Adviser are responsible for sourcing an annuity provider and deciding on the best annuity option for you.

What happens to my pension fund when I die?

If you die before reaching age 75, your fund can be paid out as one or more lump sums and/or beneficiary or nominee drawdown 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 tested against the Lifetime Allowance. Your beneficiaries can also have a combination of these options. On death after 75, tax charges will be applicable on payments from the SIPP at the beneficiaries' marginal tax rate.

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 (ROPS) require a great deal more due diligence and even where the scheme appears on the 'ROPS list' provided by HMRC, the Operator reserves the right to refuse to make the transfer.

Transfers to a new scheme can be either cash or assets 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.

You will also need to check with the investment provider of your underlying investments whether they will make a charge to sell the assets and transfer the monies in cash or make a charge to re-register the assets.

Can I change my mind?

You have 30 days from the date you receive our confirmation your SIPP is established to write and tell us of your change of mind. A refund of the sum equal to the payment made will be returned to you, your employer or the person that made the payment, less any fall in market value, and associated investment charges should the money have been invested. By cancelling your SIPP, the contract is terminated. You may waive your right to cancel before the end of 30 days by writing to the operator.

If you wish to change your mind about a transfer, you have up to 30 days from the date of receipt to cancel by writing to us. If you cancel the pension transfer it will be returned to the previous scheme or an alternative pension scheme of your choosing (provided this meets HMRC rules), less any fall in value as a result of fees, charges and/or negative investment returns. Please be aware, that the scheme that originally transferred the money is under no obligation to take the funds back.

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 us to discuss your concerns and we will aim to resolve them straightaway. If you are still not entirely satisfied, we have an internal complaints procedure which follows the standards required by the Financial Conduct Authority. Initially, please contact us at:

Telephone: 0203 873 5566 (Monday to Thursday, 9.00am to 5.30pm & Friday 9.00am to 4.00pm)

Email: pensionsinfo.MWP@morningstar.com

Address: Morningstar Wealth Retirement Services Limited
1 Oliver's Yard
55-71 City Road
London
EC1Y 1HQ

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

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

The Pensions Ombudsman
10 South Colonnade
Canary Wharf
E14 4PU

A leaflet giving more information on how we handle complaints is available on request.

Can I claim compensation?

The Operator is covered by the Financial Services Compensation Scheme ("FSCS") in respect of your SIPP. If you make a valid claim against us in respect of your investments and we are unable to meet our liabilities in full, you may be entitled to redress from the FSCS. The maximum level of compensation for a firm in default is £85,000.

Your cash and investments are always held separately from our own accounts and from those with whom we place the investments. As such, any insolvency practitioner should be obliged to return your cash and investments to you as part of the wind-down process.

If your investment provider fails financially, as long as you have selected one covered by the FSCS (and the fund prospectus will tell you this), your investments should remain covered at current FSCS rates also.

All the deposit takers we use are covered by the FSCS. If any deposit taker we use fails financially, your cash remains segregated and you should be covered by the FSCS up to the prevailing rate for each separately authorised deposit taker (currently £85,000), subject to eligibility for compensation.

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

Disclaimer

Please retain this document for reference purposes. Contractual terms may have to be changed in response to legislative, regulatory and business conditions. In order to comply with our legal and regulatory obligations, we may be required from time to time to apply additional, or alternative, conditions in relation to applications for membership or continued membership, either generally or in respect of particular applicants.

PART 2: SIPP Terms and Conditions

Your legal relationship with us is governed by these terms and conditions (the "Terms") together with the terms set out in other documents which we give you, such as your Application Form (together the "Agreement"). If these terms are inconsistent with the terms in another document in the Agreement, these terms will apply.

In these Terms words importing the singular include the plural and vice versa and words importing a gender include every gender and the neuter. References to clauses and sections are to clauses and sections of these Terms and references to persons include companies and other bodies corporate.

Unless otherwise stated, where reference is made to a particular day or date and such day or date is not a Business Day, that day or date shall be read and understood as if reference had been made to the next day that is a Business Day.

In these Terms, words which begin with a capital letter have a specific meaning, which is explained in the glossary. In addition, in this Agreement unless explicitly stated otherwise:

- a. "you" and "your" mean any person entering the Agreement with us;
- b. "we", "us" and "our" mean the Operator of the SIPP, Morningstar Wealth Retirement Services Limited.

Glossary

The term:	Means:
Annual Allowance	You usually pay tax if savings in your pension pots go above the annual allowance.
Annuity	A guaranteed income payable for either the rest of your life or a fixed number of years.
Beneficial Owner	The owner of an asset even though legal title of the property belongs to the Trustee.
Benefit Crystallisation Event (BCE)	The term used by HMRC to describe when your benefits are paid.
Capped drawdown	A type of income drawdown product that was available before 6 April 2015.
Discretionary Trust	A trust where the beneficiaries and/or their entitlements are not fixed but are determined by the Trust Deed & Rules.
FAD	Flexi-Access Drawdown
GAD	Government Actuary's Department
In Specie Transfers	To transfer the ownership of an asset from one entity to another without the need to convert the asset to cash.
Lump sum death benefit	A lump sum payable to the beneficiaries of the member upon his/her death.
Minimum Retirement Age	The minimum age at which a member can take benefits (usually 55).
Operator	Morningstar Wealth Retirement Services Limited (MWRSL) (company number 3121034). MWRSL is authorised and regulated by the Financial Conduct Authority (reference number 462660).
PCLS	Pension Commencement Lump Sum
ROPS	Recognised Overseas Pension Scheme
Safeguarded benefits	Guaranteed pensions including Guaranteed Minimum Pensions (GMPs) and Guaranteed Annuity Rates (GARs), such as Final Salary schemes and pensions.
SIPP	Self-Invested Personal Pension. A SIPP is a type of personal pension that offers much wider investment powers than are generally available for personal pensions.
Small Pot Lump Sums	A payment from a pension fund of less than £10,000 which extinguishes all benefits held within that Pension Fund. Only available after age 55.
Transitional Rights	The mechanism set up by the Revenue when they simplified the pensions tax regime from 6 April 2006 to protect rights built up before that date.
Trustee	Morningstar Wealth EMA Trustees Limited (company number 11525156)
UFPLS	Uncrystallised Funds Pension Lump Sum
Uncrystallised	The portion of your pension scheme from which you have not taken benefits.

SIPP Terms & Conditions

1. General

- 1.1 The SIPP is a UK registered pension scheme, PSTR 20000577RF.
- 1.2 The Operator of the SIPP is Morningstar Wealth Retirement Services Limited (company number 3121034). Accordingly, in relation to SIPP specific terms, “we”, “us” and “our” means Morningstar Wealth Retirement Services Limited in its capacity as Operator far as the context allows.
- 1.3 Morningstar Wealth Retirement Services Limited is authorised and regulated by the Financial Conduct Authority (FCA) and is entered on the FCA register, registration number 462660. Its registered address is 1 Oliver’s Yard, 55-71 City Road, London EC1Y 1HQ. These details can be verified on the FCA register by visiting the FCA’s website at www.fca.org.uk/firms/financial-services-register or by contacting the FCA. The FCA’s address is 12 Endeavour Square, London E20 1JN.
- 1.4 The Trustee to the SIPP is Morningstar Wealth EMA Trustees Limited (company number 11525156).
- 1.5 The SIPP is a Self-Invested Personal Pension (SIPP). A SIPP is a type of personal pension that offers much wider investment powers than are generally available for personal pensions. It is an individual contract between you and the Operator.
- 1.6 The SIPP is a UK registered pension, 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.
- 1.7 The SIPP is subject to a trust and administered according to the Scheme rules which are available on request from the Operator. The SIPP is governed and administered according to these Scheme documents as amended and restated from time to time (the “Scheme Documents”) and these terms and conditions.
- 1.8 The Operator will administer the SIPP in accordance with the rules and the Scheme Documents from time to time, these terms and conditions and all applicable law and Regulations.
- 1.9 The SIPP may be opened in any of the DAS, Direct and Select services. These additional terms relate to the SIPP only and supplement the general terms of your Agreement with us and should be read in conjunction with the declaration you made when opening your SIPP.
- 1.10 The Investments in your SIPP will be selected for you and managed in accordance with the operation of the particular service (DAS, Direct or Select, as the case may be) in which the SIPP is opened. Accordingly, the Operator provides no advice in relation to your SIPP and nothing in these Terms or the Application Form is to be construed as appointing us as, or of giving us the responsibility or functions of, an investment adviser to you, your Financial Adviser, the Money Manager or anyone else.
- 1.11 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 Trustees.
- 1.12 A SIPP Application Form may be obtained by your Financial Adviser. Your Financial Adviser may complete the form on your behalf however, it must then be signed by you.
- 1.13 The Operator may in its absolute discretion admit or refuse to admit any individual as a Member of the SIPP.
- 1.14 By completing and submitting a SIPP Application Form, you warrant that you are eligible for a SIPP. You cannot open an SIPP jointly with anyone else. You are eligible to open an SIPP Account if you are:
 - (a) aged 18 or over; and
 - (b) invest through the Morningstar Wealth Platform.
- 1.15 We may ask you to provide proof of your status and eligibility for a SIPP before we accept your Application.
- 1.16 The Operator may at its sole discretion admit members under the age of 18. For investors under the age of 18, the Application must be signed by a parent or guardian.
- 1.17 The SIPP is open to investors who are not resident in the UK subject to certain conditions.
- 1.18 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 Financial Adviser prior to making an application.
- 1.19 You must write and tell us if you cease to be eligible to apply for an SIPP in the future.
- 1.20 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. The end of the tax year is 5 April of each year. This is due to the time required for the instruction to be processed and your subscription to be available in cleared funds for investment.

1.21 If you wish to ensure that the first contribution into your SIPP is made in the current tax year you must ensure the relevant Application is received by us by the end of February in that year. Applications where subscriptions are made in this way that are received after the end of February 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.

2. Contributions

- 2.1 Contributions into your SIPP can be made by you, your employer or a third party on your behalf.
- 2.2 There is no maximum contribution however any contribution that is in excess of the Annual Allowance may attract a tax charge.
- 2.3 The Annual Allowance applies. You should seek confirmation of the current Annual Allowance prior to making a contribution.
- 2.4 It is possible to carry forward unused portions of the Annual Allowance for the previous three tax years.
- 2.5 Personal contributions in excess of your UK taxable earnings or £3,600, whichever is greater, will not attract tax relief.
- 2.6 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 the SIPP's designated bank account. Any higher rate relief which is due can be reclaimed by you through your Self-Assessment Tax Return, or in a PAYE coding change.
- 2.7 Tax relief on net Member contributions is not available where the Member is older than 75 years.
- 2.8 The Operator and the Trustees accept no liability for any tax charges or penalties resulting from contributions made to your SIPP which are not eligible for tax relief.
- 2.9 The Operator will not claim any tax relief on contributions made by your employer.
- 2.10 Before making a contribution to your SIPP, you should discuss it with your Financial Adviser..

3. Transferring an existing pension

- 3.1 The Operator will accept transfers into your SIPP from other UK registered pension schemes, recognised Overseas Pension Schemes ("ROPS") and pension credits. All other requests for transfers in will be reviewed at the Operator's discretion.
- 3.2 Transfers may be of uncrystallised benefits or of benefits in payment.

- 3.3 In order to transfer in benefits, 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.
- 3.4 The Operator may, acting in our sole discretion, accept in-specie transfers.
- 3.5 The Operator and Trustees accept no liability for any penalties, charges or liabilities arising from the transfer of benefits from an existing scheme.
- 3.6 Transfers in from another pension scheme to your SIPP do not affect your Annual Allowance.
- 3.7 You are strongly advised to seek advice from your Financial Adviser before transferring your pension. Where the transfer includes safeguarded benefits, you must be able to demonstrate that you have received specific regulated advice in relation to this, or the transfer will not be accepted.
- 3.8 The Operator provides no advice in relation to the transfer of an existing pension.
- 3.9 You accept responsibility in respect of any claims, losses, expenses, additional tax charges or any penalties that the Operator and ceding scheme may incur as a result of any incorrect, untrue, or misleading information made in your application or given by you, or on your behalf, or of any failure on your part to comply with any aspect of the transfer application. This includes where you have been asked to provide any original policy document(s) in return for the transfer of funds and you are unable to do so.

4. Transferring your SIPP to another pension scheme provider

- 4.1 You have a statutory right to transfer your SIPP to another UK registered pension scheme or ROPS.
- 4.2 The Operator will transfer out the value of your SIPP, on receipt of confirmation from the Trustees of a registered pension scheme or a ROPS that they are willing to accept a transfer and upon satisfactory completion of any due diligence that the Operator may reasonably require.
- 4.3 The Operator 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 to another provider.
- 4.4 Subject to agreement from the other provider, the Operator will allow you to transfer out your investments in either cash or via re-registration of investments or in-specie transfer of equities.

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- 4.5 The Operator fully expects that you will have sought specific advice from your Financial Adviser prior to requesting a transfer to another provider.
 - 4.6 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.

5. Payment of benefits

- 5.1 Withdrawals from your SIPP are subject to limits placed on them by HM Revenue & Customs (HMRC)
- 5.2 The benefits available from your SIPP include but are not limited to;
 - (a) Purchase of a third-party annuity
 - (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
 - (i) Beneficiary's pension
- 5.3 Before taking benefits from your SIPP the Operator must receive a fully completed and signed request benefit request form. Failure to submit complete and accurate information may result in the payment of your benefits being delayed.
- 5.4 Where you request payment of benefits, the valuation of your SIPP will be based upon the last known price that the Operator can obtain for the investments held within the Account.
- 5.5 The Operator fully expects that you will have sought specific advice from your Financial Adviser prior to requesting a payment of benefits.

6. Minimum retirement age

- 6.1 Minimum Retirement Age is the minimum age at which you can normally take benefits from your pension scheme.
- 6.2 The Minimum Retirement Age of the SIPP is 55.
- 6.3 You may be able to take benefits before the age of 55 if you have a protected low pension age or if you become entitled to a serious ill-health lump sum.

7. Purchase of a third-party annuity

- 7.1 There is no compulsory requirement 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.
- 7.2 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.
- 7.3 You and your Financial Adviser are responsible for sourcing an annuity provider and deciding on the best annuity option for you.

8. Pension Commencement Lump Sum (PCLS)

- 8.1 You will normally be eligible to take a portion of your SIPP as a Pension Commencement Lump Sum (PCLS)
- 8.2 The maximum PCLS available to you will normally be restricted to 25% of the total value of the unvested value of your SIPP. A different amount may be available if you have Transitional Rights.
- 8.3 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.

9. Flexi-Access Drawdown (FAD)

- 9.1 You can use all or part of your Pension Account to setup Flexi-Access Drawdown (FAD).
- 9.2 You can take up to 25% of the value tax free and any further withdrawals taken will be taxed at your marginal tax rate in accordance with the tax code we receive from the HMRC for you.
- 9.3 There is no upper or lower limit to how much income you can take from your SIPP as FAD.
- 9.4 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.
- 9.5 Members who were in Flexible Drawdown as at 5 April 2015 automatically converted to FAD from 6 April 2015.

10. Uncrystallised Funds Pension Lump Sum (UFPLS)

- 10.1 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.
- 10.2 There is no upper limit on the amount of the payment under a UFPLS, subject to there being available lifetime allowance.

10.3 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.

11. Capped Drawdown

- 11.1 This option is only available if you had entered Capped Drawdown Account before 6th April 2015.
- 11.2 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 (GAD).
- 11.3 The maximum annual pension available to you must be recalculated every three years until age 75 and annually thereafter.
- 11.4 You or your Financial Adviser may request an ad-hoc review at any time. This will be conducted at the sole discretion of the Operator and may be chargeable.
- 11.5 You can increase, decrease, stop and restart your income, provided that your income doesn't exceed the maximum income.
- 11.6 If you want to change the level of your income, you must tell us at least ten (10) Business Days before the next payment date.
- 11.7 You may switch from Capped Drawdown to FAD at any time by notifying the Operator in writing.
- 11.8 Once you convert to FAD you will not be able to revert to Capped Drawdown.

12. Small pot lump sums

- 12.1 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.
- 12.2 To be eligible to take your benefits under the small pot rules you must be aged 55 or over and the value of all benefits held under Registered Pension Schemes in your name must be below the limit set by HMRC.

13. Serious ill health lump sum

- 13.1 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.

14. Death benefits

- 14.1 If you die while holding a SIPP, your beneficiaries will be entitled to receive benefits from your account.

14.2 The Trustees of the SIPP 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 (IHT) purposes.

14.3 The Trustees will be guided by any nomination or request made by the SIPP holder or dependent as well as all other relevant facts, circumstances and applicable Regulations.

14.4 You must indicate the nominated beneficiaries of your SIPP on the application form. Alternatively, you may nominate or amend your beneficiaries by writing to the Operator at any time.

14.5 You may also opt to leave some or all of your benefits to a nominated charity. Such payments are free from tax irrespective of the age of the member on death.

15. Death benefits (BEFORE age 75)

15.1 If you die BEFORE age 75, the following benefits may be payable:

(a) **Lump sum death benefit:** Subject to regulations, we will pay out the total value of your SIPP as a lump sum under the Discretionary Trust, unless the person to whom this benefit will be paid under the Discretionary Trust elects to receive part or all of it as a pension instead.

(b) **Beneficiary's pension:** Your nominated beneficiary may elect to receive a pension in lieu of any lump sum death benefit. This can be done from the SIPP itself, or by transferring to another provider or by purchasing a third-party annuity.

(c) **A combination of the above.**

15.2 We will make the options clear to your beneficiaries at the time of your death who can then instruct the Trustees in writing as to their preferred option.

16. Death benefits (AFTER age 75)

16.1 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 the SIPP remaining after their death will be taxable on the recipient at their highest marginal rate of tax.

17. Tax treatment of SIPP Assets

17.1 Tax is not payable on any Income received or on any gain on investments within the SIPP where the member is UK resident.

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- 17.2 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. The Operator 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.
- 17.3 Where income tax has been deducted from interest or property income, we will reclaim tax from HMRC on your behalf where appropriate. The tax reclaims will be paid back to your Account.
- 19.6 If you default in paying any sum when it is due to us under this Agreement, we reserve the right to charge interest on overdue amounts at a rate which may be specifically agreed between us or, in the absence of any such agreement, at two per cent over the base rate of the Bank of England or HSBC Bank PLC for the period from the date when the sums are due until the date of full settlement.

18. Lifetime Allowance

- 18.1 This is the maximum pensions savings an individual can build up within registered pension schemes in their lifetime without incurring an additional tax charge.
- 18.2 The Lifetime Allowance (LTA) currently stands at £1,055,000 for the tax year 2020/21.
- 18.3 Tax charges apply on the excess above this level of an individual's aggregate pension funding at Benefit Crystallisation.
- 18.4 You may have previously applied for protection against this charge and you should provide us with the details.
- 18.5 The Lifetime Allowance is tested at a number of points including taking pension or Tax-Free Cash, reaching age 75 or on death.

19. Fees & Charges

- 19.1 The fee rates we charge for our services are set out on the SIPP Schedule of Fees & Charges.
- 19.2 All fees are charged annually in advance and will be deducted directly from your Platform Account unless otherwise stated.
- 19.3 We may modify the rate(s) or basis of how we calculate our fees as set out in SIPP Schedule of Fees & Charges as published by us from time to time subject to providing a minimum of 60 days' notice to you.
- 19.4 All fees and costs are stated to be exclusive of VAT and any equivalent goods and services tax which will also be charged where applicable.
- 19.5 You agree that any fee payable to us or your Financial Adviser and all costs and other amounts payable or recoverable under this Agreement may be paid or, as applicable, reimbursed by us withdrawing an amount equal to the relevant fee or costs or other amount from your Portfolio.