

## James Hay Partnership SIPP Charges Schedule

This document sets out James Hay Partnership's charges for establishing and administering a James Hay Partnership SIPP. It also provides you with a guide to all day-to-day transaction costs applied by James Hay Partnership, and answers some frequently asked questions about our charges.

**There is a glossary and explanation of terms on page 8 to help you understand the terminology used. This is a legally binding document between you and James Hay Partnership and forms part of your James Hay Partnership SIPP Terms and Conditions. You should read this document carefully. If you do not understand any point, please contact your Financial Adviser. You should also read:**

---

James Hay Partnership SIPP Key Features

---

James Hay Partnership SIPP Permitted Investments List

---

James Hay Partnership SIPP Terms and Conditions

---

James Hay Partnership SIPP Application Form

---

We expect that our charges should remain exempt from Value Added Tax (VAT), as the James Hay Partnership SIPP product provider is a Jersey based insurance company. However, we reserve the right to charge you VAT in addition to our charges where VAT is applicable.

If you use the services of a third party additional charges may apply to your James Hay Partnership SIPP and VAT may be payable on services provided by these third parties. For details on third party charges please refer to the Frequently asked questions section.

## Getting started

Type of Charge	When is the charge taken?	Amount
Establishment charge	Payable in advance	£495
Transfer in	N/A	Nil
Re-registration of investments	N/A	Nil
Purchase of investments	N/A	Nil

## Annual charges

Type of Charge	When is the charge taken?	Amount
Annual Administration charge <sup>1</sup>	Payable in arrears	£445
Annual charge for Investment Manager and Stockbroker accounts where the Investment Manager or Stockbroker holds cash to settle transactions	N/A	Nil
Annual income drawdown charge (once benefits are crystallised)*	Shortly after the issue of the P60	£150

\* See glossary for more information

The Establishment charge covers our costs in setting up the SIPP, checking application details, anti-money laundering identification, and processing any initial contributions and pension transfers including in specie transfers, and the reclaim of tax where appropriate.

The Annual Administration Charge covers our costs for all general day-to-day communications and for the preparation of the reconciled annual statement, regular reconciliations during the year, processing further contributions and pension transfers and fulfilling regulatory requirements.

## Transfers in

Type of Charge	When is the charge taken?	Amount
Each cash transfer	N/A	Nil
Each in specie transfer	N/A	Nil

## Contributions

Type of Charge	When is the charge taken?	Amount
Single contributions after set up	N/A	Nil
In specie contribution (for property contact us)	Upon completion of the transaction	£250

## Investing in property

Type of Charge	When is the charge taken?	Amount
UK Purchase/transfer in (with panel solicitor)	Upon completion of the transaction	£600
UK Purchase/transfer in (without panel solicitor)	Upon completion of the transaction	£800
Purchase charge per additional member	Upon completion of the transaction	£100
Overseas purchase	Upon completion of the transaction	Please contact us
VAT Initial registration	Upon completion of the transaction	£120
Mortgage arrangement charge	Upon completion of the transaction	£250

1. Increasing in line with Average Weekly Earnings and charged on a pro rata basis for transfers out.

## Investing in Property

Type of Charge	When is the charge taken?	Amount
Sale or transfer out (with panel solicitor)	Upon completion of the transaction	£450
Sale or transfer out (without panel solicitor)	Upon completion of the transaction	£650
Annual property charge using CBRE (per lettable unit/property)	Annually in advance	£600
Annual property charge self managed by Member (per lettable unit/property)	Annually in advance	£240
Additional charge per Member	Annually in advance	£100
Annual mortgage charge	Annually in advance	£150
Annual VAT charge (not when self managed option is selected)	Annually in advance	£100
Buy out (Buy out with documentation changes)	Upon completion of the transaction	£450 (plus £150)
Purchase/sale cancellation fee	Upon cancellation	£300

## Benefits and payments

Type of Charge	When is the charge taken?	Amount
Benefit calculation (per tranche of benefits)	Upon completion of the transaction	£100
Review of income limits	Upon completion of the transaction	£100
Death benefits <sup>2</sup>	See footnote	See footnote

## Other investments

Type of Charge	When is the charge taken?	Amount
Processing investments/transactions	N/A	Nil
Dealing in unquoted shares	Upon completion of the transaction	£250
Connected party transaction	Upon completion of the transaction	£250
In-specie payments of PCLS or death benefits <sup>3</sup>	Upon completion of the transaction	£250
Loans to unconnected parties	Upon completion of the transaction	£250

## Transfers out

Type of Charge	When is the charge taken?	Amount
Arranging transfer out (including annuity purchase)	Upon completion of the transaction	£150
Overseas transfer	Upon completion of the transaction	£400

If any cash payments are received after the SIPP is closed (for example, dividends) and they are up to the value of £50, we will charge equal to the value of cash received. If the cash received is over £50, we will charge £50 per payment received.

2. We will not normally charge for this, however in exceptional circumstances we may charge on a time/cost basis.

3. In specie payment of regular pension payments will not be possible.

## Example scenario 1

### Member A: Getting started

A Financial Adviser recommends a James Hay Partnership SIPP for a Member. The Member has three pension funds with other providers, which will all be transferred as cash.

The Financial Adviser's dedicated Account Executive at James Hay Partnership would facilitate the transfers, request pension discharge forms from the current provider and, once received, request the required transfers. The Account Executive at James Hay Partnership would also establish the SIPP and perform the necessary checks.

The other providers transfer their funds to James Hay Partnership, who deposits them in the central trustee bank account. We tell the Financial Adviser when each fund has been transferred, and once the last one has arrived the Financial Adviser implements the investment strategy he has agreed with his Member.

What would the costs for this be?

#### Getting started

SIPP set up charge	£495
Transfer in charge	Nil
<b>TOTAL</b>	<b>£495</b>

#### Ongoing charges

SIPP annual management charge	£445
<b>TOTAL (per annum)</b>	<b>£445</b>

## Example scenario 2

### Member B: Taking benefits

The Member decides to start drawing regular benefits from his SIPP.

The Member wants to take his maximum allowed Pension Commencement Lump Sum (PCLS) along with maximum permitted income, paid monthly. This is known as Income Drawdown. If the Member reduces his income to nil, the annual income drawdown charge will still apply.

The Financial Adviser and Member decide to disinvest some units to fund the PCLS, and set up ongoing disinvestments to fund the ongoing income.

What would the costs for this be?

#### Taking benefits from the SIPP

SIPP disinvestment dealing charges	Nil
To initiate benefits (crystallise)	£100
<b>TOTAL</b>	<b>£100</b>

#### New total ongoing charges in retirement

SIPP annual administration charge	£445
Annual income drawdown charge	£150
<b>TOTAL (per annum)</b>	<b>£595</b>

### Example scenario 3

## Member C: Purchasing a property

The Member decides to purchase a commercial property, as he feels a regular rental income better suits his investment strategy in this stage of his life. He uses one of our panel solicitors and does the property management himself.

The Financial Adviser disinvests the existing investments, and the SIPP fund is used to acquire the Member's chosen property.

In addition to the SIPP charges, the Member also expects to pay for a valuation as well as solicitor's charges and stamp duty (if applicable). These charges can all be settled from the SIPP fund. The property is not opted to tax for VAT.

The annual property management charge covers various aspects of managing the property.

What would the costs for this be?

#### Acquiring the property

SIPP disinvestment dealing charges	Nil
Handling the purchase	£600
<b>TOTAL</b>	<b>£600</b>

#### New total ongoing charges in retirement

SIPP annual administration charge	£445
Property management charge	£240
<b>TOTAL (per annum)</b>	<b>£685</b>

## Frequently asked questions about Charges

### PENSION ADMINISTRATION

#### 1. What are the charges for contributions?

There are no charges for any cash contributions made at the point the SIPP is set up, whether that is done through a single contribution or by establishing regular contributions

by direct debit. Once the SIPP has been set up, no charges apply to additional single cash contributions or any changes to existing regular cash contributions put in place.

### CRYSTALLISATION AND INCOME DRAWDOWN

#### 2. What are your charges for drawing an income from the SIPP?

The income withdrawal charge covers the work required for reconciling and revaluing the SIPP in accordance with legislation and then paying out benefits.

If you choose to take income, an annual income charge will become due for each subsequent year. This covers the administration of PAYE payroll, deduction of tax if required and making the appropriate returns to HM Revenue & Customs. Also included is the facility to vary the level and frequency of income payments. The charge still applies even if you choose to take zero income.

---

## INVESTMENT RELATED CHARGES

### 3. Do your charges include the Investment Managers' charges?

No. If you choose to use the services of an Investment Manager, the Investment Manager will apply charges for trading in stocks, shares and other investments and for holding cash on your behalf. Please refer to the Investment Manager's literature for further details. If the Investment

Manager holds cash on behalf of your SIPP, charges will be taken out of this cash, or charges will be settled from the cash held for you in the central trustee bank account.

The level of the charges of an Investment Manager and the reasonableness of them is a matter for you to determine with your Financial Adviser.

---

## PROPERTY CHARGES

### 4. How do you calculate charges for dealing with the purchase of property?

Our charge is principally a fixed fee and reflects the time we spend and the degree of complexity involved. We will review purchase documentation to ensure it meets HM Revenue & Customs and our policies. We will liaise with you or your Financial Adviser, the bank providing the mortgage, the solicitor and valuer. Their charges, together with all disbursements relating to the acquisition, sale or management of any property, will be settled from your SIPP.

### 5. What do you do for your property management charge if I use CBRE?

We deal with all general property management issues including rent collection, credit control, monthly VAT return, property inspections, arranging insurance of the property on our block policy, collating and reporting on insurance, notification of valuation due dates and lease events, responding to tenant queries, approval and payment of invoices, HM Revenue & Customs reporting and liaise with the solicitor and valuer. Their charges, together with all disbursements relating to the acquisition, sale or management of any property, will be settled from your SIPP.

### 6. What do you do for your property management charge if I decide not to use CBRE and carry out the property management myself?

We will carry out the purchase administration as per the response to question 4. We will collate Member property returns, arrange insurance of the property; carry out insurance broker reporting, approval and payment of invoices and HM Revenue & Customs reporting.

### 7. What is not included in the property management charge if I decide not to use CBRE and carry out the property management myself?

You will need to carry out the following property management if no agent is used: rent collection, monthly VAT return, property inspections, collating and reporting on insurance, notification of valuation due dates and lease events. You will also need to provide us with information on the amount of rent received, lease information and changes, condition of property and tenant housekeeping, insurance information. You will be the point of contact for the mortgage, suppliers and all tenant queries. For more details, please refer to the property literature at [www.jameshay.co.uk](http://www.jameshay.co.uk).

## GENERAL

### 8. Do your charges increase?

If charges are payable annually, we may increase these charges with effect from 6 April each year in line with the rise in the Average Weekly Earnings index for the previous calendar year. We will give you 30 Business Days notice if we adopt an alternative earnings index, if we amend or increase any annual charges by an amount exceeding the percentage increase in Average Weekly Earnings, or if we amend or increase any other charge.

### 9. How do your charges get paid?

All fees and charges will be automatically deducted when they fall due by James Hay Partnership from the central trustee bank account, unless there are insufficient funds available. No invoice will be sent to you when a charge becomes due. You must keep sufficient cash in the central trustee bank account to cover charges. If any charge is due and there is insufficient cash available, the Trustee at its discretion will realise investments within your SIPP to pay such charge without further notice to you.

You can choose to pay our charges personally, rather than having our charges deducted from your SIPP. Any charges to be paid in this way will be subject to such terms and methods of payment as the Provider, the Trustee or the Scheme Administrator that is levying the charge shall decide. To the extent that any charges due to the Provider, the Trustee or the Scheme Administrator are not paid from the SIPP, you or your estate will be personally liable for the payment of the charges due.

The Scheme Provider reserves the right to charge interest on late payment at 8% over base rate as determined by the Bank of England.

### 10. What rate of interest is paid on my SIPP Bank Account and do you retain an element of this?

a) Your SIPP Bank Account is a current account and should be used as such. However, you will receive interest on cash held in your SIPP Bank Account. When the base rate is below 1% you will receive between £0 and £1 (depending on the total amount held) for each £1,000 held in your account throughout the year. For every 1% increase in the base rate above 1% you will receive an additional £10 for each £1,000 held in the account throughout the year.

b) We currently receive between £8 and £12 for each £1,000 of cash held throughout the year in current accounts with the banks. This arrangement is based on the total funds held in client current accounts.

The difference between the amount received by us under (b) and the amount paid to you under (a) is used by us to offset the costs of running your Partnership SIPP. This enables us to maintain lower annual product administration fees as set out in this Charges Schedule.

### 11. What interest do I earn on my term deposits with providers on your Cash Panel?

Indicative rates of interest for any term deposits that you place with a Cash Panel provider are shown on our website at [www.jameshay.co.uk](http://www.jameshay.co.uk) but the actual rate you receive will be the rate offered by the bank at the time they receive your application. We will receive between £2 and £2.50 for each £1,000 you place on deposit for a continuous period of a year, or a proportionate amount for shorter term deposits.

### 12. Is there anything else I should know?

We reserve the right to charge for additional services on a time-cost basis relevant to the expertise and seniority of our staff involved.

In the event of a levy being made on us under the Financial Services Compensation Scheme or any levy or taxation being imposed on us or your SIPP under any statutory provision affecting the business of SIPP providers, operators, administrators or insurance companies, we may recover from your SIPP an amount equal to the proportion of such levy or taxation that we may reasonably determine. In the event that we do this, we will give you 30 Business Days notice of the amount that is due from your SIPP.

## Glossary and explanation of terms

<b>Administration</b>	The process of looking after the SIPP on an ongoing basis. For example this includes providing a reconciled annual statement, setting up any initial regular contributions and reclaiming tax where appropriate.
<b>Connected party transaction</b>	The purchase of an asset from an individual where there may be a direct or indirect connection to the SIPP member.
<b>Crystallisation</b>	The act of starting to take benefits (tax free lump sum called Pension Commencement Lump Sum and/or income) from the SIPP. It may also be called 'vesting'.
<b>Income Drawdown</b>	Crystallising benefits in order to draw Pension Commencement Lump sum and/or income.
<b>In specie</b>	The transfer of an asset other than cash from another pension scheme to this one, e.g. shares or holdings in investment funds.
<b>Pension Commencement Lump Sum (PCLS)</b>	A tax free lump sum payment paid on commencement of benefits, it is usually 25% of the value of the benefit crystallisation event.
<b>Establishment</b>	Creation of a SIPP plan to the point where it is ready to be used.
<b>Tax reclaim</b>	In most cases pension contributions receive tax relief and we reclaim 20p from HM Revenue & Customs for each £1 you contribute to your pension. This is added to your fund. Additional rebates can be claimed through your self-assessment tax return for higher rate tax payers.
<b>Transfer in</b>	Transferring the value of pension benefits from an existing pension scheme to your SIPP either in cash or in specie (see above).

James Hay Partnership is able to provide literature in alternative formats. The formats available are: Large Print (as recommended by RNIB), Braille, Audio Tape and PC Disk. If you would like to receive this document in an alternative format please contact us on 0845 850 4455. For the hard of hearing and / or speech impaired, please use the Typetalk service via 18001 0845 850 4455.

James Hay Partnership is the trading name of James Hay Insurance Company Limited (JHIC) (registered in Jersey number 77318); IPS Pensions Limited (IPS) (registered in England number 2601833); James Hay Administration Company Limited (JHAC) (registered in England number 4068398); James Hay Pension Trustees Limited (JHPT) (registered in England number 1435887); James Hay Wrap Managers Limited (JHWM) (registered in England number 4773695); James Hay Wrap Nominee Company Limited (JHWNC) (registered in England number 7259308); PAL Trustees Limited (PAL) (registered in England number 1666419); Santhouse Pensioner Trustee Company Limited (SPTCL) (registered in England number 1670940); Sarum Trustees Limited (SarumTL) (registered in England number 1003681); Sealgrove Trustees Limited (STL) (registered in England number 1444964); The IPS Partnership Plc (IPS Plc) (registered in England number 1458445); Union Pension Trustees Limited (UPT) (registered in England number 2634371) and Union Pensions Trustees (London) Limited (UPTL) (registered in England number 1739546). JHIC has its registered office at 15 Union Street, St Helier, Jersey, JE2 3RF. IPS, JHAC, JHPT, JHWM, JHWNC, SPTCL, SarumTL and IPS Plc have their registered office at Trinity House, Buckingham Business Park, Anderson Road, Swavesey, Cambs CB24 4UQ. PAL, STL and UPT have their registered office at Dunn's House, St Paul's Road, Salisbury, SP2 7BF. UPTL has its registered office at Boundary House, 91-93 Charterhouse Street, London, EC1M 6HR. JHIC is regulated by the Jersey Financial Services Commission and JHAC, JHWM, IPS and IPS Plc are authorised and regulated by the Financial Conduct Authority. The provision of Small Self Administered Schemes (SSAS) and trustee and/or administration services for SSAS are not regulated by the FCA. Therefore, IPS and IPS Plc are not regulated by the FCA in relation to these schemes or services.(04/13)