

## James Hay Select SIPP Charges Schedule

**CHARGES  
APPLICABLE FROM  
6 APRIL 2018**

**This document sets out James Hay Partnership's charges for setting up and administering a James Hay Select SIPP (referred to as the Select 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 Section 1 of this Charges Schedule forms part of your Select 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:**

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Key Features of the Select SIPP

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Select SIPP Permitted Investments List

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Select SIPP Terms and Conditions

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Select SIPP Application Form

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SIPP Technical Product Guide

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Our charges are currently exempt from Value Added Tax (VAT). However, we reserve the right to charge you VAT in addition to our charges were VAT is applicable.

If you use the services of a third party additional charges may apply to your Select SIPP and VAT may be payable on services provided by these third parties.

# Section 1

## CHARGES

### Annual charges

Type of charge	When is the charge taken?	Amount
Select Funds Option annual charge	Monthly in arrears	0.75% p.a.
Self Investment Option annual charge	Annually in arrears	0.75% p.a.

#### Select Funds Option

The Select Funds Option annual charge is applicable to investments in the Select funds and includes James Hay Partnership’s charges and the Select fund manager’s annual management charges.

The method of taking this charge depends on the arrangement James Hay has with the fund managers of each individual fund. For examples of how this charge will be taken, please see question 3 in Section 3.

Please note that the 0.75% charge for the Select Funds Option does not include any additional fund expenses applicable to each fund. These cover expenses incurred directly by the fund such as auditors fees or custodian fees. Further information can be found in the Fund Prospectus for each individual fund available from your financial adviser.

#### Self Investment Option

The Self Investment Option annual charge is applicable to investments outside of the Select funds except the value of commercial property, which has its own charges.

Any charges levied by a third party (e.g. a fund manager) in relation to these investments will be payable in addition to them.

This charge is taken annually in arrears and is calculated on the value of your Select SIPP (including cash held in the SIPP Bank Account as well as any bank accounts held in relation to a property), but excluding the value of any Select funds and commercial property.

## Commercial Property

Type of charge	When is the charge taken?	Amount
UK purchase or transfer in (with panel solicitor)	On completion of the transaction	£600
UK purchase or transfer in (without panel solicitor)	On completion of the transaction	£1,100
Purchase charge per additional member	On completion of the transaction	£100
VAT initial registration	On completion of the transaction	£120
Mortgage arrangement charge	On completion of the transaction	£250
Annual property charge using CBRE (per lettable unit/property)	Annually in advance	£973 (first lettable unit/lease in each property) £563 (each additional lettable unit/lease in each property)
Additional member annual charge (for each additional member)	Annually in advance	£102
Annual mortgage charge	Annually in advance	£154
Annual VAT charge	Annually in advance	£102
Sale or transfer out (with panel solicitor)	On completion of the transaction	£450
Sale or transfer out (without panel solicitor)	On completion of the transaction	£800
Buy-out (Buy-out with documentation changes)	On completion of the transaction	£450 (plus £150)
Purchase or sale cancellation fee	On cancellation	£300
Review of lease renewal/new lease/deeds/licences to occupy, assign, alter or sub-let (where prepared by non panel solicitor)	On completion of the review	£200
Property development charge	On completion of the development	0.5% of cost of works (charge capped at £2,000) per development
Pre-funding expenses charge	At the point funding is provided	£50

## Benefits and payments

Type of charge	When is the charge taken?	Amount
Uncrystallised funds pension lump sum payment	On completion of the transaction	£100
Arranging annuity purchase	On completion of the transaction	£150
Death benefits	We will not normally charge for processing death benefits, however, in exceptional circumstances we may charge on a time/cost basis. Please see the 'Additional work' section below.	

**Transfers out and closure**

Type of charge	When is the charge taken?	Amount
Arranging transfer out	On completion of the transaction	£100
Arranging overseas transfer out	On completion of the transaction	£400
Account closure charge <sup>1</sup>	When flexi-access drawdown or uncrystallised funds pension lump sum payments first reduce the value of your SIPP below £1,000	£100
Administration charge (on any cash payments received after your Select SIPP is closed (for example, dividends)) <sup>2</sup>	On completion of the transaction	Equal to the value of the cash received up to a maximum of £50 per payment received

<sup>1</sup> This charge will not be applied where the full value of the fund is being used to purchase an annuity or is being transferred to another pension scheme.

<sup>2</sup> Any balance will be forwarded to you on completion of the transaction.

**OTHER IMPORTANT CHARGES**

**Additional work**

The above charges indicate the standard investments and work involved in administering your Select SIPP. However, if we need to perform additional administration over and above that which is deemed reasonable, we will charge an hourly rate of £150 minimum, relevant to staff seniority and expertise.

**Regulatory/industry levies**

In the event of a levy being imposed on us under the Financial Services Compensation Scheme or any other levy or taxation being imposed on us or your Select SIPP affecting our business, we may recover from your Select SIPP an amount equal to the proportion of such levy or taxation. In the event that we do this, we will give you 30 days’ notice of the amount that is due from your Select SIPP.

**Annual charge increases**

We will apply increases to annual charges that are not expressed as a percentage on 6 April each year in line with the rise in the Average Weekly Earnings (AWE) Index (or any equivalent index in the event that the AWE Index ceases to exist) without giving prior notice to you. We will, however, give you 30 days’ notice 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.

## Section 2

### EXAMPLES

Below are examples of the typical charges we would take from the Select SIPP in different scenarios:

#### Example scenario 1

##### Getting started

A financial adviser recommends a Select SIPP for a client. The client has two pension funds with other providers which will all be transferred as cash with a total value of £150,000.

The financial adviser's Service Executive Team at James Hay Partnership will facilitate the transfers, request pension discharge forms from the current provider and, once received, request the required transfers. The Service Executive Team will also set up the Select SIPP, perform the necessary checks and set up the SIPP Bank Account.

We tell the financial adviser when each pension fund has been transferred. Once the final transfer has arrived, the financial adviser implements the investment strategy he has agreed with the client, which is investing in a selection of Select funds.

What would the costs be for this?

##### Ongoing charges

Annual administration charge (based on holdings valued at £150,000)	£1,125
<b>TOTAL (per annum)</b>	<b>£1,125</b>

#### Example scenario 2

##### Taking benefits through flexi-access drawdown

The member decides to start drawing regular benefits through flexi-access drawdown from his Select SIPP.

The member decides to take his maximum allowed Pension Commencement Lump Sum (PCLS) along with an income, paid monthly. This is known as Income Drawdown. The financial adviser disinvests some Select funds to fund the PCLS and sets up a regular disinvestment to fund the income payments.

What would the costs be for this?

##### New ongoing charges

Annual administration charge (based on holdings valued at £112,500 after 25% PCLS)	£844
<b>TOTAL (per annum)</b>	<b>£844</b>

## Section 3

### FREQUENTLY ASKED QUESTIONS ABOUT CHARGES

#### Crystallisation and Income Drawdown

1. What do your charges for taking an uncrystallised funds pension lump sum (UFPLS) cover?

We charge a one-off amount for each UFPLS that you take and this covers the payment of the tax-free element, deducting tax under PAYE on the balance and paying the net amount to you.

2. What happens if there is insufficient money in my SIPP Bank Account when you come to pay my income?

In the event that there is insufficient money to make an income payment when it is due, we will continue to try and make the payment up until the cut-off date for the next month. In the event that we are not able to make this payment by the cut-off date for the next month, the income payment will be cancelled from our systems. Payroll cut-off dates can be found on our website at [www.jameshay.co.uk](http://www.jameshay.co.uk).

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#### General

3. How are annual management charges taken on the Select Fund Option?

How the Select Funds Option annual charge is taken depends on the charging arrangement we have in place with each individual fund manager, which may include the fund manager rebating part of their charge.

Below are two examples:

##### Example 1

A Select fund has a standard annual management charge applied by the fund manager of 1% p.a.

We have agreed with the fund manager, that James Hay investors will only pay a 0.6% p.a. annual management charge for the fund.

The annual management charge will be applied as follows:

- 1% p.a. is taken out of the Select fund by the fund manager
- 0.4% p.a. is refunded to James Hay by the fund manager and allocated to your Select SIPP as additional units in the fund
- 0.15% p.a. is taken from your SIPP bank account by James Hay.

Therefore the total payable annual management charge is 0.75% p.a.

##### Example 2

A Select fund has a standard annual management charge applied by the fund manager of 0.5% p.a.

We have agreed with the fund manager that James Hay investors will pay 0.5% p.a. annual management charge for the fund (i.e. no reduction from standard charge).

The annual management charge will be applied as follows:

- 0.5% p.a. is taken out of the Select fund by the fund manager
- 0.25% p.a. is taken from your SIPP bank account by James Hay.

Therefore the total payable annual management charge is 0.75% p.a.

4. How do your charges get paid?

We automatically deduct charges from your SIPP Bank Account, unless there is insufficient cash available. We do not send you invoices when charges become due. It is your responsibility to ensure that there is sufficient cash available in your SIPP Bank Account to cover adviser and product charges. If any charge is due and there is insufficient cash available, at our discretion, we will sell investments within your Select SIPP to pay charges without further notice to you.

You can choose to pay our charges personally, rather than having them deducted from your SIPP Bank Account. We will decide the terms and methods of payment of any charges to be paid in this way. If you do not pay the charges due, you or your estate will be personally liable for the payment of the charges due.

We reserve the right to charge interest on late payment at 8% over base rate as determined by the Bank of England.

For further information, please refer to Section 15 of the SIPP Terms and Conditions.

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

Your SIPP Bank Account is provided for the receipt and payment of money for your Select SIPP (for example, receiving your contributions into your Select SIPP, the payment of benefits out of your Select SIPP and the purchase or sale of investments held within your Select SIPP). The account is designed for holding cash for short periods of time while your investments are being made, or your benefits are being paid, rather than for holding cash over the long term.

The rate of interest we pay will change from time to time. The current interest rate you are receiving can be found on our website at [www.jameshay.co.uk](http://www.jameshay.co.uk). Banks pay us extra interest because of the total amount of money we hold with them. We will retain this extra interest as it helps us to keep down the other charges on your Select SIPP.

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

Indicative rates of interest for any term deposits that you place with a provider on our Cash Panel 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.

#### 7. What is the account closure charge?

The account closure charge covers the cost of closing your Select SIPP if it is not closed through purchasing an annuity or transferring out. It is taken when flexi-access drawdown or uncrystallised funds pension lump sum payments first reduce the value of your Select SIPP below £1,000. Although the charge is taken at this point, we will not actively close your Select SIPP except in certain circumstances. Please see Section 16 of the SIPP Terms and Conditions for further information.

If this charge is applied, it may make sense for you to ask us to close your Select SIPP and pay you any balance remaining once outstanding fees have been covered, as the costs of administering your plan would rapidly act to erode the remaining funds.

If you have any questions regarding the content of this document or if you require any of the documents shown on page 1, please visit [www.jameshay.co.uk](http://www.jameshay.co.uk) or call us on 03455 212 414.

## Glossary and explanation of terms

<b>Crystallisation</b>	The act of starting to take benefits (tax free lump sum and/or income) from your Select SIPP.
<b>Flexi-access Drawdown</b>	A form of income drawdown available from 6 April 2015 where there is no limit on the amount of income you can take each year.
<b>Income Drawdown</b>	Crystallising benefits in order to draw a tax free lump sum and/or income. This covers both capped drawdown and flexi-access drawdown.
<b>In-specie</b>	The transfer of an asset other than cash from another pension scheme to your Select SIPP e.g. shares or holdings in investment funds.
<b>Pension Commencement Lump Sum (PCLS)</b>	A tax free lump sum paid on commencement of income drawdown. It is usually 25% of the value of the benefit crystallisation event.
<b>Transfer in</b>	Transferring the value of pension rights from an existing pension scheme to your Select SIPP either in cash or in-specie.
<b>Uncrystallised Funds Pension Lump Sum (UFPLS)</b>	A lump sum made of a tax-free element (25%) and a taxable element (75%) that you can take from your pension fund provided you have not already crystallised those funds through income drawdown.

We are able to provide literature in alternative formats. For a Braille, large print or audio version of this document call us on 03455 212 414 (or via the Tynetalk service on 18001 03455 212 414).

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 2nd Floor, Gaspé House, 66-72 Esplanade, St Helier, Jersey, JE1 1GH. IPS, JHAC, JHPT, JHWM, JHWNC, SPTCL, SarumTL, IPS Plc, PAL, STL, UPT and UPTL have their registered office at Dunn's House, St Paul's Road, Salisbury, SP2 7BF. 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.(07/18)