



IPS Property Questionnaire

(For IPS SIPP, IPS 2008 SIPP, Pension Builder, Family SIPP and SSAS Only)

Name of Pension Scheme:

The purpose of this questionnaire is to assist us when a pension scheme acquires commercial property, and to help us ensure that the transaction is handled correctly and any pitfalls are avoided. We will not proceed with the proposed property transaction until the questionnaire has been signed and returned to us [and we are in receipt of all supporting documentation].

It may assist you if you read [or re-read] our Property Guidance Notes before completing this questionnaire. These are available upon request or can be obtained from our website.

If there are any details that you are unsure of, or unable to complete, please contact your usual contact at IPS for guidance. Where necessary please put "TBA" (to be advised) and forward any missing information to us as soon as possible.

Property Details

Address _____

Description of the property [e.g. office, industrial, shop premises] _____

Is the title registered? Yes No

Freehold or Leasehold? Freehold Leasehold

If "*Leasehold*" please confirm the following details:-

Remaining term of the Lease: _____

Ground rent payable: _____

Are there any onerous review provisions in relation to the ground rent? _____

Is the property being purchased with vacant possession or is there an existing tenant?

Vacant possession Existing tenant

Is the property subject to VAT? Yes No

If "*No*", is a VAT election likely? Yes No
[e.g. for redevelopment]

Who will deal with the VAT registration on behalf of the Trustees?

Please also confirm who will deal with the quarterly VAT returns on behalf of the Trustees, following completion?

Purchase price of the property: £ _____ including*/ excluding*VAT
[*Delete as appropriate]

Estimated completion date: _____

Is there any residential aspect to this property? Yes No

If “Yes”, please provide further details and confirm who will be occupying this part of the property;

Are there any environmental concerns relating to this property? [For example, asbestos or other contamination issues]

Yes No

If “No”, please indicate what evidence has been relied upon to reach this conclusion

If “Yes”, please provide further details and advise how the potential liability on the pension scheme will be mitigated.

Is the property adjacent to any residential property?

Yes No

If “Yes”, please:

- Please provide a hand drawn diagram [which does not need to be to scale] indicating the property which the pension scheme is to acquire and the residential property adjacent to it – please show any existing boundaries, with a note describing those boundaries [e.g. block wall 1 metre high etc]
- Please advise who occupies the residential property and indicate whether or not they are a “connected” party

NB: In some instances, HM Revenue & Customs could deem that the commercial property to be acquired by the pension scheme is actually deemed to be a “taxable property” by virtue of its close proximity to residential property. In addition, if the residential property is occupied by a connected party, it is necessary to rule out any benefit that the connected party could potentially receive by virtue of the pension scheme acquiring the adjacent commercial property. If you think this could apply, please contact IPS for further details and/or to discuss the issues involved.

The financing of the transaction

Please provide the following information relating to the financing of the proposed purchase:

Purchase price £

VAT [if appropriate] £

Please provide details as to how the pension scheme will fund the purchase of the property by completing the table below.

If this is a joint purchase with another party, including another IPS pension scheme, please complete the basic details below in relation to the co-owner's funding position. This is important, especially if the other party is intending to borrow. A separate property questionnaire must be completed by each IPS pension scheme involved in the proposed purchase, but you need to indicate the basic funding details of the other scheme, if applicable.

	Pension Scheme	Co-owner name (if applicable)	Co-owner name (if applicable)
Intended percentage share of ownership (e.g. 100%, 75%)	%	%	%
Cost of percentage share	£	£	£
Current cash balance of the pension scheme		___ n/a ___	___ n/a ___
Show any proposed Employer Contribution	***	___ n/a ___	___ n/a ___
Show any proposed Personal Contribution	***	___ n/a ___	___ n/a ___
Show any proposed Transfer Value payments from other pension arrangements		___ n/a ___	___ n/a ___
Proposed amount of Borrowing			
Totals	£	£	£

*** Please indicate if any part of these payments are intended as "in-specie" payments.

Vendor details

Name of the Vendor: _____

Is the Vendor a “connected” party? Yes No

If “Yes”, please state the connection: _____

If the Vendor is “connected”, a market valuation addressed to the trustees of the pension scheme will be required. If the valuation has been addressed to another party – e.g. mortgage lender - the valuer will need to confirm by separate letter [addressed to the trustees of the pension scheme] that the trustees can rely on the advice given, otherwise a separate valuation report will be required addressed to the trustees.

Details of the solicitor who will act for the pension scheme

Contact Name: _____

Company: _____

Address: _____

Tel: _____ Fax: _____ Email: _____

Is the solicitor aware that this transaction is to take place? Yes No

Unless you advise otherwise, IPS’ trustee company will contact the solicitor copying this questionnaire and providing a standard form of instructions. We will send a copy of this letter to our usual contact point for the pension scheme, which may be your financial advisor.

Please remember that IPS does not undertake to chase other professional advisors involved in a property transaction and the Member Trustee [and/or their financial advisors] has a key role to play in this regard. Our assistance when dealing with other professional advisors can, however, be requested at the time upon request.

Details of the Valuer / Surveyor who will act for the pension scheme

Contact Name: _____

Company: _____

Address: _____

Tel: _____ Fax: _____ Email: _____

Please note, IPS does not usually contact the valuer with instruction to prepare a report and the Member Trustee [or their financial advisors] will normally need to do this. Please ensure that the relevant sections of our Property Guidance Notes are considered when addressing the need for valuation advice. Please contact IPS if there are any queries, or arrange for the valuer to contact us.

Please indicate whether a valuation report is attached to this questionnaire.

Valuation report dated _____ attached Yes No

Valuation report to follow Yes No Not Applicable

Please note [depending on market conditions], IPS will only generally rely on the content of a valuation report if it is within 6 months of the transaction date.

Lender details (if appropriate)

Contact Name: _____

Name of Lender: _____

Address: _____

Tel: _____ Fax: _____ Email: _____

NB: IPS does not usually contact the lender to request a formal lending offer and the Member Trustee [or their financial advisors] will need to arrange for a formal lending offer to be issued. Please contact IPS if any assistance is required.

If the property is being purchased jointly with another party (co-owner), including another IPS pension scheme, each party will need their own lending offers and "cross default" clauses will need to be included. Please refer to the relevant section of our Property Guidance Notes, or contact IPS if there is any query.

Details of the pension scheme borrowing (if appropriate)

If the pension scheme is borrowing.....

Amount of new borrowing	

Term (e.g. 10 years)	
Amount of the monthly or quarterly repayment	
Total amount of any existing borrowing currently outstanding	
Current approximate fund value of the pension scheme	

Please remember that any new borrowing will be restricted to 50% of the current net fund value of the pension scheme, i.e. less the total amount of any existing loans. Please refer to the relevant section of our Property Guidance Notes, or contact IPS if there is any query.

Existing tenant(s) details (if appropriate)

Tenant's Name: _____

Is the Tenant a "connected" party Yes No

If "Yes", please state the connection: _____

Amount of rent currently payable and frequency of payments _____

Is the rent paid up to date? Yes No

Remaining term of the Lease _____

If there is more than one tenant, please provide details for each tenant separately.

Please indicate whether a copy of any existing lease(s) is/are:

- (i) enclosed with this questionnaire
- (ii) being obtained and will be sent to IPS shortly
- (iii) IPS should request the solicitor to provide copies of any existing leases

IPS will not allow a property to be acquired until copies of all existing leases are received by IPS.

New tenant(s) details (if appropriate)

Tenant's Name: _____

Is the Tenant a “connected” party

Yes

No

If “Yes”, please state the connection: _____

Rent to be paid and
frequency of payments: _____

Proposed term of the Lease: _____

If there is more than one tenant, please provide details for each tenant separately.

If any tenant is “connected”, a market rental valuation addressed to the trustees of the pension scheme will be required. If the valuation has been addressed to another party – e.g. mortgage lender - the valuer will need to confirm by separate letter [addressed to the trustees of the pension scheme] that the trustees can rely on the advice given, otherwise a separate valuation report will be required addressed to the trustees.

Property Management

Will Independent Property Managers be appointed to manage the property investment for the trustees of the pension scheme? Yes No

If Yes, please provide the relevant contact details:

If No, the Member Trustee(s) must ensure that they actively take all action necessary and make all necessary arrangements, on behalf of the trustees of the pension scheme, so the property asset is effectively managed. The management of the property includes, amongst other things, the collection of rents and consideration of all statutory requirements that may be placed on the pension scheme as a property owner/landlord [whilst ensuring that tenants meet their obligations under leases - e.g. maintaining, repairing, decorating requirements etc]

[When independent Property Managers are not appointed] The Member Trustee can arrange for any professional advice or assistance necessary from suitably qualified people to satisfy the property management requirements on an adhoc basis. The can meet the associated costs.

Please remember that IPS does not charge an additional annual fee for property investments held by the pension scheme.

Rental reconciliation requirements

Rental information must be reported to HM Revenue & Customs [HMRC] at their request. Usually this forms a series of questions on their annual Pension Scheme Tax Return or Event Report form. Such information can include details of unpaid rents by connected parties [outstanding rent can involve onerous tax charges] and details of rent receipts from properties which were originally acquired from both connected and unconnected parties.

The Member Trustee(s) [as the “property manager” for the trustees] will have various responsibilities in relation to the provision of information required by HMRC, and IPS as scheme administrators. As scheme administrators IPS will deal with the annual reporting requirements to HMRC on the Member Trustee’s behalf, but to do this we will need the

following information from the Member Trustee on an annual basis [the Member Trustee may obtain this from the Independent Property Manager, if one has been appointed].

- Confirmation of rent which fell payable in the tax year in question
- Confirmation of the amount of rent received in the tax year
- Confirmation that the Member Trustee holds [and will provide copies upon request] bank account statements confirming the rent paid in a given year
- Confirmation of the current tenancy details

For this purpose, IPS will require an **annual declaration** to be completed and signed by the Member Trustee. Please note that the Member Trustee agrees to provide this information by signing the attached Member Trustee's Declaration.

Please contact the IPS for further information, if required.

Member Trustee's Declaration

I/we declare that I/we have read and understood IPS' Property Guidance notes and have raised any queries with IPS, or my/our professional advisors, in order to accurately complete the details required.

I/we agree that where I/we have indicated information to follow, this will be provided as soon as possible and I/we understand that the transaction may not proceed until the information is provided.

I/we understand that before a property is acquired by my/our pension scheme, I/we will need to sign a Trustees Resolution, which IPS' trustee company will then countersign, whereby I acknowledge the position as regards property management.

[this Trustees Resolution can be requested from IPS, or is available on IPS' website].

I/we confirm that I/we will not allow any alteration to be made to the property asset whilst it is owned by the pension scheme without the prior consent of IPS' trustee company.

I/we confirm that, if any Tenant of the Property is connected, I/we will advise IPS [or arrange for any Independent Property Manager appointed to advise IPS] as soon as rent becomes outstanding [I/we understand that unpaid rent by a connected party can lead to onerous tax charges if the non payment is not correctly managed and I/we will obtain IPS' assistance as soon as any arrears arise to seek to remedy the problem and mitigate the likelihood of any subsequent tax charges].

I/we confirm that IPS' trustee company may sign any resolution necessary on behalf of the trustees to formally appoint either the solicitor or valuer involved in the transaction.

[I/we understand that this will usually only be necessary if connected parties are involved and the valuer/solicitor is acting for both sides].

I/we understand that IPS does not necessarily chase the professional advisors involved in arranging completion of the transaction. As the Member Trustee, I/we understand I/we have a hands-on role to play, although I/we may seek the assistance of any one of my/our professional advisors to co-ordinate matters.

I/we confirm and agree that each year I/we will arrange for the **annual declaration** to be completed in a timely fashion. If necessary, I will obtain the required information from any Independent Property Manager that I have appointed.

Each member trustee to sign:

Signed Date

Name

The IPS Partnership is a trading name for The IPS Partnership Plc and IPS Pensions Limited. Both companies are part of the James Hay Partnership, Dunn's House, St Paul's Road, Salisbury SP2 7BF.

James Hay Partnership is the trading name of James Hay Insurance Company Limited (JHIC) (registered in Jersey number 77318); James Hay Pension Trustees Limited (JHPT) (registered in England number 1435887); James Hay Administration Company Limited (JHAC) (registered in England number 4068398); James Hay Wrap Managers Limited (JHWM) (registered in England number 4773695); James Hay Wrap Nominee Company Limited (JHWNC) (registered in England number 07259308); The IPS Partnership Plc (IPS Plc) (registered in England number 1458445); PAL Trustees Limited (PAL) (registered in England number 01666419); IPS Pensions Limited (IPS) (registered in England number 2601833), Union Pension Trustees Limited (UPT) (registered in England number 02634371), Union Pensions Trustees (London) Limited (UPTL) (registered in England 01739546) and The Santhouse Pensioner Trustee Company Limited (TSPTCL) (registered in England number 01670940). JHIC has its registered office at IFG House, 15 Union Street, St Helier, Jersey, JE1 1FG. JHPT, JHAC, JHWM, JHWNC, IPS Plc, IPS and TSPTCL have their registered office at Trinity House, Buckingham Business Park, Anderson Road, Swavesey, Cambs, CB24 4UQ. PAL and UPT have their registered office at Queen Square House, 18-21 Queen Square, Bristol, BS1 4NH. 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 Plc and IPS are authorised and regulated by the Financial Services Authority. The provision of Small Self Administered Schemes (SSAS) and trustee and/or administration services for SSAS are not regulated by the FSA. Therefore, IPS Pensions Limited and The IPS Partnership Plc are not regulated by the FSA in relation to these schemes or services.