SIPP

JAMES HAY PARTNERSHIP

TECHNICAL PRODUCT GUIDE

SIPP

Your SIPP in detail

There are a number of different SIPP products offered by James Hay Partnership, some that are open to new members and some that are closed to new members. This SIPP Technical Product Guide gives you general information on the main aspects of our SIPPs. As some products have different product rules, for more specific information on a particular product, please refer to your product's Terms and Conditions or contact us for more information.

Setting up your SIPP and making contributions

Eligibility and payment

Please note, contributions can only be accepted into uncrystallised Arrangements. Uncrystallised Arrangements are those which have not had any benefit paid from them.

Who can contribute to a SIPP?

If you are under 75 then you can open a SIPP and make contributions, whether or not you are resident in the UK or have any earnings there.

There is no minimum contribution.

Any other person may contribute to your SIPP on your behalf, including your employer if you have one.

Can I contribute to a SIPP as well as my employer's pension scheme?

Yes you can, though you should remember that both will count towards the annual allowance and if applicable the special annual allowance.

How are contributions paid?

You can make single contributions to your SIPP whenever you choose. Regular contributions may be paid annually, quarterly, half-yearly or monthly.

You don't have to pay contributions each year, but it is important to remember that if you miss a year, you may not be able to make up for it in another year without exceeding your annual limit for tax-privileged contributions.

Cash or investments?

Cash contributions can be made by BACS, CHAPS or sending us a cheque.

You can transfer shares that you have acquired through a Save As You Earn scheme or a Share Incentive Scheme (provided these are acceptable to us and subject to rules laid down by HM Revenue & Customs (HMRC)).

Depending on the SIPP product you open it may be possible for you to make an in-specie contribution. An in-specie contribution is where, rather than making a cash payment to your SIPP, an asset such as property or shares is paid across instead, by transferring its ownership to the pension scheme.

If you are considering making an in-specie contribution please contact us.

Contributions and tax relief

How much can I contribute?

Although there is no legal limit on your contributions, the amount that will be eligible for favourable tax treatment will depend on your residence status.

If you are a UK resident
As a UK resident, you will be able to receive tax relief on gross contributions of up to 100% of your earnings each year.

Even if you have no earnings, you can still contribute up to £3,600 gross each year and your contributions will automatically benefit from tax relief at the basic rate of tax.

If you are non-UK resident
As a non-UK resident you can contribute as much as you wish, although you will not be eligible for tax relief on your contributions.

If you cease to be UK resident after opening your SIPP
If you opened your SIPP as a UK resident then you will receive tax relief on the first £3,600 p.a of any contributions paid in the 5 tax years following the one in which you cease to be a UK resident. You will not be eligible for tax relief on the excess if you contribute more than this amount, nor on any contributions paid after this period while you remain a non-UK resident.

On resuming UK residence at any time you will be able to receive tax relief on your contributions in the normal way.

What is the annual allowance, and how does it work?

The annual allowance limits the tax privileges in respect of pension savings made under a registered pension scheme in respect of a tax year.

For the tax year 2013/14, the annual allowance is £50,000. It is due to be reduced to £40,000 from the 6 April 2014. The annual allowance may subsequently be changed by Treasury Order.

The annual allowance covers the total contributions paid by you – or by anyone else on your behalf including your employer – to any money purchase arrangements, which is the category of pension arrangement a SIPP falls into.

If you are a member of a defined benefit pension scheme, for example a final salary employers pension scheme, then the annual value of any increase in your benefits will also count towards the annual allowance.

Your annual allowance will not be affected by:

- Transfer values received from other pension arrangements
- Pension debits and credits from a registered pension scheme under a divorce settlement.

It is possible for unused annual allowance to be carried forward for three years.

What will happen if I exceed the annual allowance?

Although there is nothing to prevent you contributing more than the annual allowance if your earnings will support it, the excess will normally be subject to a tax charge equivalent to your marginal rate of tax.

HMRC will ignore contributions when testing against the annual allowance in the event of death, or in the event of severe ill-health, in the tax year.

What happens if my contributions exceed my tax-relief limit?

On receiving your annual self-assessment tax return showing the total contributions you have made to any pension schemes, HMRC will notify us if the contribution you have paid us exceeds your personal tax-relief 'limit' for the year.

Depending on your wishes we will then either:

- repay you the excess contribution, after any basic rate tax relief on it has been returned to HMRC, or
- record the excess contribution separately within your SIPP.

Will I need to prove my earnings?

You won't need to produce any evidence of earnings, but your contributions must be declared to HMRC in your tax return for the year.

What tax relief will I receive?

Basic rate relief

If you are eligible to receive tax relief on your contributions you will be entitled to deduct relief at the basic rate of tax from the amount you pay. So, based on the 2013/14 level of 20%, you will pay £80 for every £100 of the gross contribution you wish to make.

We will then reclaim the value of the basic rate tax relief from HMRC on your behalf and add it to your fund.

Higher rate relief

If you pay higher and/or additional rate tax you should claim the additional tax relief through your annual self-assessment tax return.

Employer contributions

Any contributions made by your employer will be paid gross and will be added to any of your own for testing against the annual allowance and special annual allowance if applicable.

Your employer may be able to obtain tax relief on the contributions paid, which will count as a business expense.

Transfers

Consolidating existing benefits in your SIPP

Any existing pension rights that you have accumulated in other arrangements will usually be transferable to your SIPP if you wish. With the agreement of the scheme administrator/trustees of the scheme concerned, we are able to accept transfers from:

- Registered pension schemes
- In some circumstances overseas pension schemes

As well as giving you full investment control, consolidating your benefits in this way may make it easier to monitor the total value of your pension provision against your lifetime allowance, which is described further on.

You can open your SIPP with transfers from other schemes, even if you don't intend to make contributions. However, when considering a transfer, it is always wise to seek advice from the trustees of the scheme concerned, as some scheme rules will not allow transfers in certain circumstances. This can be of special importance if benefits are already in payment (see below).

A transfer of benefits is not a contribution and will not affect your tax-relief position in any way. You should always seek financial advice before instructing a transfer, as in certain circumstances it may affect any protection from tax charges you have been granted by HMRC on your pension funds.

Protecting your existing scheme specific benefits as part of a transfer

HMRC rules allow for some of your existing scheme specific benefits, such as an entitlement to retire at an earlier age, or a Pension Commencement Lump Sum in excess of 25%, to be protected on a transfer to our scheme. However, certain requirements must be met. This type of transfer is commonly referred to as a 'block transfer'. Your Financial Adviser will be able to tell you more about block transfers.

We are able to accept block transfers however, depending on the type of SIPP you have, we may need to hold these in separate Arrangements.

How are transfers made?

Normally, the trustees of the transferring scheme will calculate a transfer value which, if you accept it, they will pay to us in cash. However, in some cases, a transfer could include investments which, if they are acceptable, could be re-registered to us as Trustee of your SIPP so that they become part of your SIPP fund.

What if the benefits are already in payment?

If you have begun taking income withdrawals from your fund, or have received a tax-free cash sum from it, then depending on the SIPP product you take out, you may need to set up a separate SIPP with us designed solely to receive a transfer of 'benefits in payment'. You will not be able to make contributions and only a single transfer can be accepted into this kind of SIPP.

Your SIPP Bank Account

All cash within your SIPP is held in an interest-bearing Bank Account operated by us.

Payments into this Bank Account – from contributions, transfer values, tax credits, dividends and other investment income, or proceeds from the sale of investments – will begin to earn interest as soon as they are cleared. We will make all payments out of the account, for investment or annuity purchases, income withdrawals, etc, as instructed by you, or your Financial Adviser as your authorised agent.

All charges and dealing fees will be met from this Bank Account, and you will need to ensure that sufficient liquidity is maintained to cover them as they fall due.

Depending on the type of SIPP you have, SIPP money may not be held in any other bank account unless you have appointed an Investment Manager, who may open nominee accounts with other deposit takers.

Investments

Through your SIPP you can decide how your pension funds are invested.

For full details on the range of permitted investments for each SIPP product please speak to your Financial Adviser about the range of investments open to you, or refer to the SIPP Permitted Investments Lists for the SIPP you have selected on our website www.jameshay.co.uk.

Whilst we are not regulated to provide any investment advice to you, and you are responsible for ensuring any investments made are in accordance with the rules of the SIPP you choose, please remember we do have the final say on whether any specific investment may be made in the SIPP you have selected.

Investing through the James Hay Investment Centre (where applicable)

Through the Investment Centre, you will have easy online access to collective investments offered by leading fund managers on favourable terms.

- We have negotiated competitive discounts on the initial management charges made by the managers in their fund prices, reducing the cost of each investment.
- Any valid instruction to buy, sell or switch holdings that is placed online before a fund's dealing cut off, as detailed in the Funds List available on our website, will normally be executed that day.
- Switches between funds are completed as a sale followed by a buy normally made the next Business Day, allowing your money to remain as fully invested as possible at all times.

We will normally update your website account with details of a transaction via the Investment Centre within 1 Business Day of receiving a correct contract note from the investment provider. A paper confirmation will then be posted within 5 Business Days, except for regular or automatic Transactions, such as sales to fund regular income payments, which are not confirmed individually.

Postal confirmations will be sent to either you or your Financial Adviser depending on the operating arrangements you have made for your SIPP.

If you would like more information about the options available through the Investment Centre, full Terms and Conditions are available on request, or from our website.

Please note that the Investment Centre is only available to some of our SIPP products. Please contact us for more information.

Investing with a Stockbroker or Investment Manager

Sharedealing service

We offer an integrated online and telephone execution-only service. Please contact us for more information on this service. Using the service, you will be able to buy and sell any UK quoted securities, and stocks quoted on a number of major overseas stockmarkets.

Once your sharedealing account is open, you will receive a unique dealing reference, enabling you to place all trades directly. Please note that we cannot accept sharedealing instructions for onward transmission under any circumstances.

You will be sent a contract note confirming details of any trades you have placed.

Postal confirmations (if applicable for your type of SIPP) will be sent to either you or your Financial Adviser depending on the operating arrangements you have made for your SIPP.

Investing via another Stockbroker/Investment Manager

Depending on the type of SIPP you choose to open you may be able to appoint your own choice of FCA regulated Stockbroker/ Investment Manager for our approval, subject to the Stockbroker/ Investment Manager meeting our requirements.

You will be responsible for agreeing the Stockbroker's/Investment Manager's fees that apply to this account and these must be met by the SIPP.

Settling Stockbroker/Investment Manager Transactions

If you open a Sharedealing account we will settle any trades placed from cash in the SIPP Bank Account.

If you open an account with an alternative Stockbroker or Investment Manager your appointed Stockbroker/Investment Manager will be responsible for settling any trades placed from SIPP cash the Stockbroker/Investment Manager holds on behalf of your SIPP. It is your responsibility to ensure that your Stockbroker/ Investment Manager is holding sufficient cash before you place any trades for this type of account. We accept no liability for any trades which are delayed if there is insufficient cash held by the Stockbroker/ Investment Manager.

Investing in commercial property and/or land

Depending on the type of SIPP you choose to open you may be able to purchase commercial property and/or land for your SIPP.

To help with your purchase you will be able to borrow up to 50% of your fund's value, at a commercial rate of interest. Full details of property purchase and loans are given in our separate Commercial Property Guide, which is available online or on request from us.

How soon can I start investing?

You will be able to place investment instructions once your SIPP is open and your contributions and/or pension transfers have been received and are cleared in the SIPP Bank Account.

How quickly will my investments be processed?

Once we are able to action your investment instructions these will be processed within the following timescales:

- Investment Centre Funds - please refer to the Terms and Conditions for the Investment Centre Fund range you have chosen.
- Stockbroker/Investment Manager - we will endeavour to complete and send the paperwork to establish this type of account to the Stockbroker/Investment Manager within 3 Business Days of receiving your instruction and account opening forms. The Stockbroker/Investment Manager will have their own timescales for opening the account.
- Once we have been notified the account is open and the Stockbroker/Investment Manager has agreed to our terms we will endeavour to send any money you have requested to your Stockbroker/Investment Manager within 2 Business Days.
- All other investments, except commercial property - we will endeavour to action your instruction within 2 Business Days of receiving a valid investment instruction and application form. We will normally send any documentation and payment by post to the investment provider.
- Commercial Property - please refer to the SIPP Commercial Property Guide for details.

How will I know my investment has been made?

Where we have placed the investment instruction with the investment provider, we will normally update the website within 1 Business Day of receiving a correct contract note. We will send a hard copy confirmation by post to your Financial Adviser within 5 Business Days.

However, for regular investments or regular sales or sales specifically to fund your regular income payments, we will not normally issue an individual confirmation by post.

Confirmation of Transactions made by your appointed Investment Manager should be sent directly to your Financial Adviser by your Investment Manager.

The right SIPP for your needs as they evolve

Whichever SIPP you choose, it is very likely that your circumstances and investment requirements will change over time – after all, the need for complete flexibility is the main reason people have for considering a SIPP. If that happens, your Financial Adviser will be able to provide you with full details of the SIPP most suited to your needs, and you will only have to agree to the Terms and Conditions of the new product in order to make the change.

Your benefits

Retirement benefits

When can I take my retirement benefits?

The minimum age at which you will be able to take benefits from your SIPP is currently 55. However, you may be able to take benefits sooner if you have a protected retirement age, due to the fact you were a pension scheme member who qualified for early retirement under the prior legislation, or if you are forced to retire due to ill health.

You do not need to retire or stop working to receive your benefits, which may be taken in full, or 'phased-in' over a number of years, as you prefer.

If your pension rights can be taken before the minimum pension scheme age then all of the benefits in the scheme must be paid at the same time.

There is no upper age limit by when you must start to take benefits.

How do I set about taking benefits?

If you don't have a Financial Adviser, you can simply download and complete the appropriate form from our website.

However, if you are considering taking an income from your SIPP or purchasing an annuity we would recommend that you should consult a Financial Adviser before doing so.

What benefit options will I have?

A tax-free lump sum

Part of any benefits may be taken as a Pension Commencement Lump Sum normally up to 25% of your fund's value, which will be tax-free under current legislation.

Please note, If you have pension rights that were accrued pre 6 April 2006 and these benefits were transferred to us with a protected entitlement, you may be able to have a Pension Commencement Lump Sum of more than 25% of your fund value.

An income of your choice

The remainder of your accumulated fund, after payment of any lump sum, will be used to provide you with an income. Your pension may be provided by:

- income withdrawals from your SIPP fund, or
- a lifetime annuity, purchased on the open market from an insurance company of your choice
- where available a scheme pension
- any combination of the above.

Phasing your retirement

Rather than take all your SIPP benefits at once, you may have the option to activate them, in stages, over a period of years, allowing you to wind-down your working activity in the way that suits you.

If you have any pre 6 April 2006 pension benefits with protected pension entitlement, as provided for under the transitional rules, you might not be able to take these benefits in stages.

When you wish to start taking benefits in stages, or bring more into payment, you will need to instruct us in writing by completing the appropriate form as to the amount of income/lump sum you wish to produce. We will also need to know whether the income is to be provided by income withdrawals from your SIPP or annuity purchase.

On receipt of your instructions, we will calculate the funds needed to meet your requirements, forwarding the appropriate money to your chosen insurer if an annuity is required.

Your retirement benefits in detail

The Pension Commencement Lump Sum

To enjoy part of your benefit in the form of tax-free cash, you will need to take your Pension Commencement Lump Sum at the time your pension starts, as it cannot be deferred.

If you take all your benefits at once, normally your lump sum may be up to 25% of the value of your fund but must not exceed 25% of the standard lifetime allowance described further on. If you are phasing your retirement then the lump sum available to you will normally be proportionate to the amount of your fund being brought into payment at the time.

Income withdrawals from your SIPP fund

A major advantage of income withdrawals, for many people, is flexibility, as you can vary your income from year to year, within limits laid down by HMRC.

The basic level of income from your plan will be calculated from tables compiled by the Government Actuary's Department (GAD) when you commence withdrawals.

This income, and the amount by which you can vary your withdrawals will depend on your age.

These limits are intended to avoid over-depletion of your fund, ensuring that there will always be sufficient for your future income needs, and to prevent tax avoidance.

Any income withdrawals commencing after 6 April 2011 are paid as Capped Drawdown. The Finance Bill 2013 will increase the maximum income payable under Capped Drawdown from 100% to 120% of the basic income derived from the GAD tables. Whilst the Finance Bill 2013 backdates the implementation to 26 March 2013, it is possible that during its passage through Parliament it could be amended. If this were to occur and you have taken between 100% and 120% of your calculated maximum, it is possible that, depending on the detail of any such amendments, you and your pension could be liable to further tax charges.

There is no minimum income limit.

If you commenced taking income withdrawals before 6 April 2011 and were aged under 77 at commencement and aged under 75 at 21 June 2010, income withdrawals are paid as an Unsecured Pension. The maximum income payable under an Unsecured Pension arrangement is 120% of the basic income derived from the GAD table. There is no minimum income limit.

Unsecured Pension is being converted to Capped Drawdown at the earlier of your quinquennial review, you requesting an earlier recalculation review (which must be on an anniversary date of when the tranche of benefits first started being taken) or the anniversary date immediately following your 75th birthday.

If you commenced taking income withdrawals before 6 April 2011 and were aged over 77 at commencement or aged over 75 at 21 June 2010, your income withdrawals were converted to Capped Drawdown on 6 April 2011.

Once in Capped Drawdown, your maximum income limit will be recalculated every three years up until the age of 75 and thereafter every year.

Flexible Drawdown

If you are aged 55 or over and you meet certain requirements, then income withdrawals from your plan are unrestricted. This is called Flexible Drawdown.

One of the key requirements to qualify for Flexible Drawdown is to have a minimum 'relevant income' from secured pension sources, called the Minimum Income Requirement (MIR). The current MIR is £20,000 per annum and this limit will be reviewed at least every five years by the Treasury. The only types of income that count towards the MIR are a lifetime annuity, state pension and a scheme pension. Therefore this, does not include other drawdown pensions.

Please contact us or your Financial Adviser if you wish further information on how to take Flexible Drawdown.

Payment of income withdrawal

Your income may be paid:

- in advance or in arrears, and
- annually, half-yearly, quarterly or monthly, as you prefer.

Depending on the type of SIPP you have, there may be set dates that we will pay your income and cut-off dates preceding this when cleared funds must be available. Please contact us for more information.

Annuity purchase

You can choose to purchase a lifetime annuity with your fund at any time after you have passed the minimum pension age, whether or not you are already receiving benefits.

Your annuity will be purchased on the open market from any insurance company you choose.

Scheme pension (where available)

You can choose to purchase a scheme pension with your fund at any time after you have passed the minimum pension age, whether or not you are already receiving benefits. If you do so later than your 75th birthday, the Pension Commencement Lump Sum option will only apply to funds not already used to provide benefits.

The level of income available under a scheme pension is determined by the trustees of the scheme based on factors such as your age, state of health, attitude to risk, fund value, guarantee period and dependant's pension.

This level of income is reviewed every three years and may result in an increase or decrease in income.

It is compulsory that you are offered the alternative of securing a lifetime annuity with an insurance company of your choice before the scheme pension option is considered.

Please note that a scheme pension is only available on certain types of SIPPs. Please contact us for more information.

What income tax will I pay?

All your income withdrawal and/or annuity payments will usually be paid net of income tax under the PAYE system.

Your lifetime allowance

How could the lifetime allowance affect me?

Your lifetime allowance does not restrict the amount of your pension savings but it does limit the amount that can be tax-privileged. It applies to the total value of any benefits to which you are entitled, whether they are held in one registered pension scheme or in several.

Benefits will be tested against your lifetime allowance when they are paid out:

- to you, when you take a Pension Commencement Lump Sum, begin making income withdrawals, opt for a scheme pension or purchase an annuity,
- as a lump sum death benefit if you die before taking your retirement benefits, or
- as a transfer value to a qualifying recognised overseas pension scheme.

If the value of the benefits being paid takes you over your lifetime allowance then the excess will normally be subject to a tax charge.

The tax charge is 55% of any excess benefits taken as a lump sum, and 25% of those that will be used to provide income (which will be subject to income tax).

The occasions when benefits are tested are called 'benefit crystallisation events'. If you do not take all your pension benefits at once, any remaining percentage of your lifetime allowance that has not been used will be carried forward to the next benefit crystallisation event.

How much is my lifetime allowance?

Depending on your circumstances, your lifetime allowance may be either 'standard' or 'enhanced'.

Standard lifetime allowance

The standard lifetime allowance is available to everyone, and is £1.5 million for the tax year 2013/14. It is due to be reduced to £1.25 million from 6 April 2014. In any subsequent tax year the allowance may be changed by Treasury Order.

Enhanced lifetime allowance

There are several circumstances in which you could be eligible for an enhancement of the standard lifetime allowance:

- Your SIPP has received a transfer from an overseas pension scheme which has not received UK tax relief
- A pension credit that qualifies for an enhancement has been received as a result of a sharing order under a divorce settlement
- Under certain circumstances where you have made contributions as a non-UK resident
- You have pre A-Day pension funds which have been protected (see next section).

You can request an enhanced lifetime allowance by applying to HMRC, giving the reason. If your request is allowed, you will receive a certificate showing the amount of enhancement calculated by HMRC.

You will need to keep the enhancement certificate until all your benefits have come into payment (although a replacement will be provided by HMRC if it is lost, defaced or destroyed). All other documents relating to your request must be kept for six tax years.

Fixed Protection

Before 6th April 2012, when the standard lifetime allowance was £1.8 million, you could apply to HMRC for Fixed Protection. This means that your lifetime allowance is fixed at £1.8 million until such time that the standard lifetime allowance is increased to a level exceeding £1.8 million.

The standard lifetime allowance is due to be further reduced from £1.5 million to £1.25 million from 6 April 2014. Fixed Protection 2014 will be available for individuals likely to be disadvantaged as a result of the reduction and it will operate in the same way as the above Fixed Protection introduced in April 2012. Individuals will be able to apply for Fixed Protection 2014 from summer 2013 when the Finance Bill 2013 and supporting regulations come into force. A form will be available on the HMRC website to enable people to apply and the signed form must be with HMRC by 5 April 2014.

When you wish to take benefits, you must provide us with a copy of your Fixed Protection Certificate.

You will lose your Fixed Protection if you make further contributions to any money purchase pension arrangement (which includes your SIPP). You may also lose it if you have any pension benefit accrual under a defined benefit pension arrangement.

It is still possible to transfer accrued pension benefits from other schemes into your SIPP without this having any impact on your Fixed Protection provided it is a permitted transfer (as set out in HMRC guidance).

Primary and Enhanced Protection

If you have a Primary Protection Certificate, Enhanced Protection Certificate or an Enhanced (Primary Dormant) Protection Certificate, and you wish to take benefits, you must provide us with a copy of your certificate.

If you have either an Enhanced Protection Certificate or an Enhanced (Primary Dormant) Protection Certificate and you do not want to use Enhanced Protection when taking benefits you must notify HMRC of this within 90 days of the benefit commencing. Failure to notify HMRC will result in a financial penalty.

If you have Primary Protection, you may continue to make contributions. However, you will lose your Enhanced Protection if you make further contributions to any money purchase pension arrangement (which includes your SIPP). You may also lose it if you have any pension benefit accrual under a defined benefit pension arrangement.

It is still possible to transfer accrued pension benefits from other schemes into your SIPP without this having any impact on your Primary or Enhanced Protection provided it is a permitted transfer (as set out in HMRC guidance).

You should ask your Financial Adviser for guidance.

Death benefits

Benefits if you die without buying an annuity/ scheme pension

You can nominate your dependants or any other individuals to whom you would like benefits to be paid in the event of your death before you have used the balance of your fund to purchase an annuity. (or where available secure a scheme pension).

On your death your nominated dependant(s) may choose, from your pension fund, to have:

- A lump sum, or
- Income withdrawals, paid as Capped Drawdown, or
- An annuity purchased on the open market
- Where available a Scheme Pension, or
- Any combination of the above options.

If you have nominated a non-dependant to receive the death benefits they will be entitled to a lump sum only.

You may nominate for a lump sum to be paid to a charity in the event of your death, provided you have no dependants at the date of death.

Tax on lump sum benefits

If you die before taking benefits and are aged under 75 at the date of your death, any lump sum payment must be paid out within two years of your death and will normally be paid tax free, but will be tested against your lifetime allowance.

If you die before taking benefits and are aged 75 or older at the date of your death, any lump sum payment will be taxed at 55%.

Unless you were claiming Enhanced Protection at your death, any excess above your lifetime allowance will be taxed at 55%.

If you die after taking benefits, any lump sum payment will not be tested against your lifetime allowance, but will be taxed at 55%.

Provided it is paid to and used by a charity for 'charitable purposes' within HMRC rules, any lump sum paid to a charity on your death will not be tested against the lifetime allowance and will not be taxed.

Benefits if you die after buying an annuity

If you have used all or part of your fund to buy an annuity then, on your death the benefits paid will depend on the options selected when the annuity was purchased.

Where you have purchased an annuity you can choose to include a spouse's, civil partner's or dependant's pension.

Benefits if you die after securing a scheme pension (where available)

If you have used all or part of your fund to secure a scheme pension then, on your death the benefits paid will depend on the options selected when the scheme pension was set up.

You can choose to include a spouse's, civil partner's or dependant's pension. The maximum guarantee period applicable under a scheme pension is 10 years. You are also able to select options for payment of benefits on death.

Who can be classed as a dependant?

Your dependants can include anyone who is:

- Your spouse or civil partner, either at the time you became entitled to receive a pension from your SIPP or at the date of your death
- Your child, provided they are aged under 23
- Your child who is aged over 23, but who, in the opinion of the as scheme administrator, was dependent on you at the date of your death, owing to physical or mental impairment
- A person who is neither your surviving spouse or civil partner nor your child but who, in the opinion of the as scheme administrator, was dependent on you at the date of your death.

Charges

The current Charges for all Transactions in respect of the SIPP product you have chosen are described in the SIPP Charges Schedule for the particular product. These are available on our website.

Important Information

Any taxation information contained in this guide is based on our interpretation of current legislation and HM Revenue & Customs practice. Please remember that current tax benefits may change in the future.

Notes

How to Contact Us

Call us on:

0845 850 4455

Lines are open 8.30am to 5.30pm Monday to Friday. To help us improve our service we may record or monitor calls.

Visit our website:

www.jameshay.co.uk

Email us:

sipp@jameshay.co.uk

Write to us at:

James Hay Partnership
Dunn's House
St Paul's Road
Salisbury
SP2 7BF

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