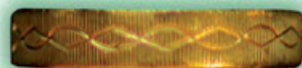
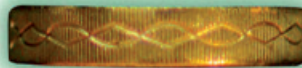
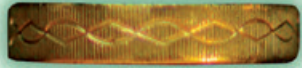
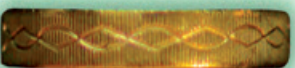
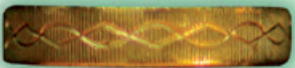
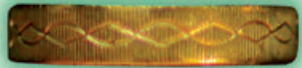


IPS PARTNERSHIP  
IPS (2008) SIPP



# IPS (2008) SIPP

IPS Partnership is part of James Hay Partnership.

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# About The IPS Partnership    What is the IPS (2008) SIPP?

The IPS Partnership has been providing self administered pension products for over 30 years. The business has a long established reputation for providing a quality service, combined with a high level of technical knowledge.

With a presence in Bristol, London and Salisbury, we provide nationwide coverage which, when combined with our commitment to the highest levels of service standards, provides an award winning combination.

The IPS Partnership is a wholly owned subsidiary of the IFG Group Plc, which is listed on both the London and Dublin Stock Exchanges.

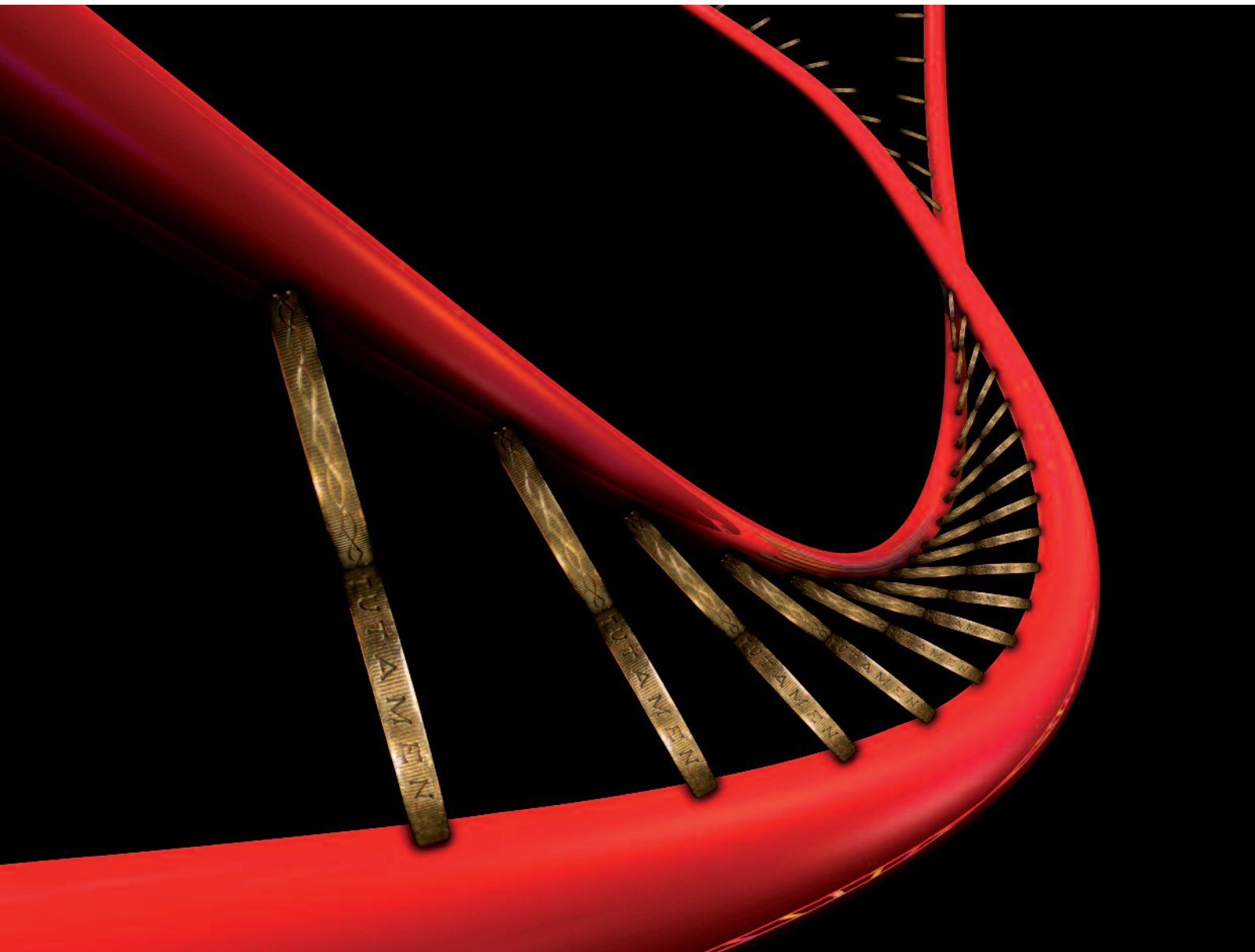


In simple terms it is your own tax-free trust fund that you build up and then draw benefits from. You control the investment strategy of the SIPP from a wide range of permitted investments. The IPS (2008) SIPP permits significant saving in a virtually tax-free environment, with more flexibility than other types of pension, making it one of the most flexible tools available for arranging retirement benefits.

A SIPP is a 'Self-Invested Personal Pension'. The IPS (2008) SIPP is a pension scheme registered with HM Revenue & Customs and is permitted to receive contributions and transfers in order to accumulate a retirement benefits fund.

A SIPP may not be suitable for all investors and if you are in doubt you should consult your Financial Adviser. The IPS Partnership is not authorised to give advice.

This booklet describes the main provisions of the IPS (2008) SIPP and lists its Terms & Conditions. Should there be any discrepancy between this and the Rules of the SIPP, the Rules will take priority.



# Why save for your retirement using a SIPP?

SIPPs benefit from all the tax advantages of UK Registered Pension Schemes, as well as added investment and retirement flexibility. There are a variety of tax reliefs available:

- Contributions made to pension schemes attract tax relief for the individual or company (whichever pays the contributions). Please see our SIPP Technical Product Guide on pension contributions for more details
- Income received by a pension scheme attracts no UK income tax (tax deducted at source on share dividends cannot, however, be reclaimed)

- Capital appreciation of investments held by a pension scheme attracts no UK capital gains tax
- On retirement, 25% of the pension fund can be paid as a tax-free lump sum
- On death before retirement, the whole pension fund may be paid as a tax free lump sum if you are aged under 75 (i.e. no Inheritance Tax).



## From whom is the IPS (2008) SIPP suitable?

The IPS (2008) SIPP combines all the tax relief available to pension schemes with control, flexibility and low costs. In recent years, SIPPs have become a mainstream pension product for a wide range of people, such as:

- Higher earners who want to make pension contributions and avoid the high charges of traditional pension products
- People with family businesses who are interested in using pension assets to help with acquiring business premises
- People with pension money in traditional types of scheme who want to transfer funds into an arrangement with more control and flexibility

- People who have existing pension arrangements and want to pay additional contributions into an arrangement of their own
- People reaching retirement age who want to benefit from a more flexible range of retirement options than those offered by more traditional types of pension arrangement.

The IPS (2008) SIPP can be established by anyone over the age of 18, who is either resident in the UK or has a UK based pension arrangement that they wish to transfer. In addition, a SIPP can be established for a child under the age of 18 by a parent or legal guardian.



I P S

# Why use the IPS (2008) SIPP?

We have developed a reputation in the pensions industry for providing our clients with the very highest standards of pension administration, which sets us apart from other practitioners. For example:

- 1 The IPS (2008) SIPP is operated on a low cost basis, with a simple, easy to understand fee structure. Please see our separate Fee Structure for full details.
- 2 Our fee structure does not include 'transaction charges' for each transaction made by a scheme.
- 3 Each SIPP is allocated a dedicated Account Executive responsible for its day-to-day operation. This develops an in-depth knowledge of each SIPP, together with a continuity of service.
- 4 The IPS (2008) SIPP is administered using fully integrated computer systems and includes the ability to produce new business illustrations online, download applications, access client data, transactions and investment summaries online, as well as the ability to access a wide range of guidelines covering most technical issues.
- 5 IPS Pensions Limited is authorised and regulated by the Financial Conduct Authority (FCA) to establish and operate self-invested personal pensions and to hold client money in connection with this.
- 6 In the case of pension scheme property purchases, we impose no restrictions or requirements on the use of a specific solicitor, mortgage lender or property manager. The choice is left completely to you, with no additional fees being levied if a designated company is not used for these purposes.
- 7 The client is permitted to act as property manager with responsibility for collection of rents, rent reviews, lease expiries and VAT returns. Unlike some practitioners, IPS does not insist on performing these functions.
- 8 We allow complete flexibility to use any authorised fund manager or Financial Adviser to handle the investment of accumulated funds.
- 9 We allow purchase of warrants, futures, options, hedge funds, contracts for difference and unquoted shares, which in some cases are not permitted by other SIPP practitioners.
- 10 Cash held by the SIPP earns one of the most competitive rates of interest available for a SIPP cash account:
  - 0.4% below Bank Base for balances of over £50,000
  - 0.6% below Bank Base for balances of under £50,000
- 11 A range of foreign currencies are also available for holding SIPP cash funds. These are useful where pensions are being paid to overseas residents, or where investments are denominated in other currencies, as it helps to avoid risks of currency fluctuations. The rate of interest credited to the foreign currency designated client accounts is 1% below the quoted Barclays Bank "Reference Rate", which is the term used to describe base rate for foreign currencies.
- 12 We allow 'in-specie' transfers of assets from other types of pension scheme, such as Property, Trustee Investment Plans, equities and With-Profit Bonds, which some practitioners do not permit. In-specie payment of contributions and retirement benefits are also possible. This could be a valuable tax planning tool that also helps to avoid situations where investments would have to be sold prematurely, thereby incurring early surrender penalties or Market Value Reductions.

## Choosing a SIPP Provider

SIPPs have become a mainstream product and there are many companies in the marketplace. Here are some important points to consider when choosing a provider:

**Will you get good service or be held in long telephone queues and end up speaking to customer services providers who cannot help you?**

IPS gives you direct access to a dedicated Account Executive.

**Will you have full investment freedom? For example, some major SIPP providers do not allow property investment.**

IPS gives you full investment choice.

**What is the financial strength of your SIPP provider?**

IPS is part of James Hay Partnership, one of the largest SIPP providers in the UK and is a wholly owned subsidiary of a quoted company.



# Contributions

Unlike many Personal Pension Schemes, there is no commitment to regular contributions. If your circumstances or employment change or you can no longer contribute to the SIPP, there are no penalties levied. Because the IPS (2008) SIPP is so flexible, contributions can re-start when convenient, or the fund can be transferred to another Provider without penalty.

Cash contributions can be paid by cheque, BACS or CHAPS payment or standing order. Contributions can also be made in the form of assets rather than cash. This is known as in-specie. If an in-specie contribution is to be paid, IPS should be contacted separately. A Capital Gains Tax liability may apply on making an in-specie contribution and separate professional advice may be necessary.

Personal contributions (i.e. individuals, sole traders and partners) are limited to a maximum of 100% of relevant UK earnings per tax year, with a ceiling known as the annual allowance. This is set by the Treasury and for the 2014/2015 tax year is £40,000. It is possible for unused annual allowance to be carried forward for three years.

The IPS (2008) SIPP operates 'Relief at Source' for personal contributions, which means the individual actually pays their contribution net of Basic Rate Tax and IPS reclaims the tax relief from HM Revenue & Customs. Higher Rate tax payers can reclaim a further amount equivalent to their higher rate tax relief through their self assessment tax return. Those with no earnings can still contribute up to £3,600 per annum gross and can even continue to do so for five tax years after ceasing to be resident in the UK.

Company contributions (i.e. Limited companies and Public Limited companies) are restricted to the annual allowance each year, (subject to HMRC limits) although there is no direct link to earnings. However, all company contributions must be deemed by the company's Inspector of Taxes to be for the purposes of the trade of the company. Corporation Tax relief applies to company contributions where granted by the Inspector of Taxes. The gross contribution must therefore be paid to the IPS (2008) SIPP.

Further guidance can be obtained from IPS on the rules regarding pension contributions if required.



# Transfers

The IPS (2008) SIPP can accept transfers from any other Registered Pension Scheme. There may be circumstances where this is not in the individual's best interest (for example, they may be giving up valuable guaranteed benefits from the transferring scheme) and this should be determined before proceeding. IPS does not give advice on this and you should seek advice from your Financial Adviser.

The IPS (2008) SIPP can accept transfers from other Self- Invested Personal Pension plans where pensions are already in payment and can also accept transfers of assets other than cash from these arrangements (commonly known as transfers in-specie).

In some circumstances, transfers can be made from or to overseas pension arrangements. Specific guidance is required on this from your Financial Adviser.

There are no restrictions on transferring out of an IPS (2008) SIPP, either as cash or in-specie at any time, provided the transfer is deemed by HM Revenue & Customs to be a Recognised Transfer.



# In what can the IPS (2008) SIPP invest?

The choice of investment opportunities is wide and can be made in a variety of areas. Initially, all funds are held in an interest bearing tax-free cash account, paying a very competitive rate of interest. The account is operated by The IPS Partnership Plc on behalf of IPS Pensions Limited – the Scheme Administrator.

If no investment instructions are given, funds will remain in the cash account. Investments held by pension schemes which are tax registered are regulated by HM Revenue & Customs and a list of permitted investments is given below. Regulations actually permit a pension scheme to make any investment, but the forbidden ones listed below incur tax penalties which make them unviable.

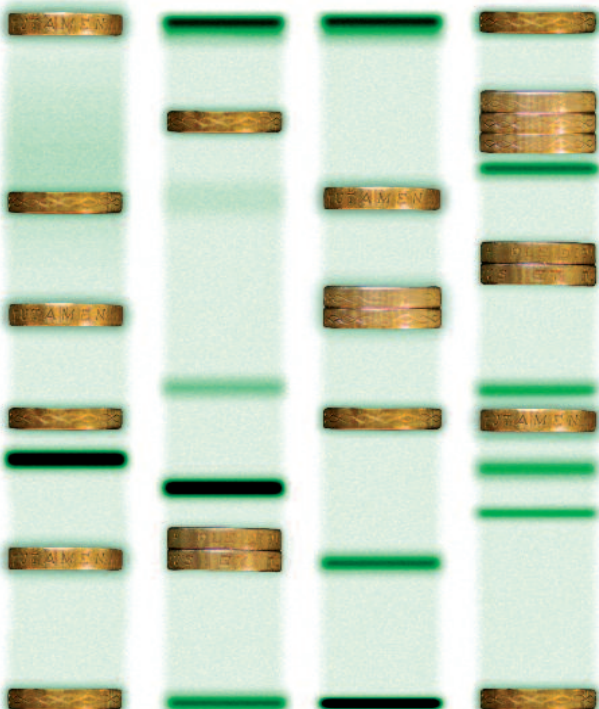
The SIPP is highly flexible in the choice of investment structure for the fund and you can choose your degree of involvement in managing the fund.

Of course, the investment management of a fund may be left entirely to the appointed manager, on a discretionary basis without reference to you, if this suits your circumstances better.

The IPS (2008) SIPP also permits transactions (i.e. purchases from, sales to or leases to) scheme members or members of their family, subject to proof that the transaction is carried out at open market value.

## Approved investments

- Stock Exchange listed companies
- AIM and OFEX Companies
- Deposits
- Unit Trusts and OEICs
- Government Securities
- Quoted Debentures, loan stocks
- Traded futures and options (relating to stocks and shares on a recognised futures exchange)



- Companies quoted on a recognised overseas stock exchange
- Building Society permanent interest bearing shares (PIBS)
- Second hand endowment policies
- Insurance company managed funds & unit linked funds
- Direct property purchase (including commercial property, agricultural land, hotels, nursing homes and public houses both in the UK and abroad)
- Hedge Funds
- Exchange Traded Funds
- Contracts for Difference
- Shares in unquoted private companies
- Offshore funds
- Investment grade gold bullion
- Real Estate Investment Trusts (REITs)
- Pooled investment vehicles and syndicates where the member cannot influence or control the investment (known as “Genuinely Diverse Commercial Vehicles”)
- Loans to unconnected third parties (but not to individuals or partnerships of 3 or less individuals).

## Notes:

- Borrowing of up to 50% of the pension fund’s net value can be taken to finance any of the above investments. This must be on commercial terms
- Pooled investment vehicles such as Unit Trusts, OEICs, Managed Funds and Genuinely Diverse Commercial Vehicles are permitted to invest in residential property and “tangible moveable property” (e.g. art, antiques, stamps, fine wines, classic cars, jewellery etc) provided they do not permit pension scheme members or connected parties to influence or control the investment strategy – normally defined as having more than a 10% interest in the fund. There are additional criteria for these vehicles and they should be referred to IPS for prior approval.

## Forbidden investments

- Direct purchase of residential property
- Direct purchase of tangible moveable property (art, antiques etc)
- Commodities
- Loans to connected parties
- Wasting assets (defined as having an expected life span of 50 years or less)
- Property limited liability partnerships
- Premium Bonds
- Residential ground rents
- Indirect investment in residential property and tangible moveable property (i.e. where the pension fund purchases shares or units in a company or fund which enables the member or connected parties to control or influence the investment strategy of that company or fund). For example, the SIPP purchases 50% of the share holding in a company which invests in residential property.

Investments on this list are not permitted by The IPS (2008) SIPP.



# Retirement benefits from the IPS (2008) SIPP

The SIPP allows you the full flexibility of options for drawing retirement benefits, including the ability to commence benefits from age 55 without penalty and without having to cease working. You are therefore free to choose the options that best suit your circumstances. There is a maximum fund size that all your pension arrangements can reach, called the 'lifetime allowance'. If your funds exceed this limit then a tax charge is payable. In some cases, an individual may have been able to register with HM Revenue & Customs for protection of funds in excess of the lifetime allowance (this can be in the form of primary, enhanced or fixed protection).

Up to 25% of your accumulated IPS (2008) SIPP fund can be taken as a Pension Commencement Lump Sum, and the remainder will be used to provide a pension, which is subject to income tax. The IPS (2008) SIPP is very flexible, allowing the following methods for receiving a pension:

- Purchase of an annuity – this is where the accumulated fund is given to an insurance company in exchange for a pension income for life
- Payment from the IPS (2008) SIPP fund as income withdrawal, while the balance of the fund continues to be invested according to your wishes.
- Phased retirement – not all the benefits have to be taken at once. Benefits can be staggered to suit your financial requirements and provide greater flexibility. This provides a perfect method for gradually withdrawing from work.

Taking income withdrawals from your IPS (2008) SIPP fund allows you the ability to draw a tax-free lump sum at outset and no pension until a later date, or to vary the amount of pension you receive each year to suit your requirements.

## Ill Health

If you become ill and unable to continue working, the IPS (2008) SIPP may pay ill health early retirement benefits, or serious ill health benefits. You can also use the fund to purchase an impaired life annuity which pays a higher pension than a conventional annuity due to your shorter than usual life expectancy. Satisfactory evidence from a registered medical practitioner will be required.



# Death benefits from the IPS (2008) SIPP

There are two different scenarios (please note that contracted-out benefits may be treated differently to non contracted-out benefits):

1 Where no retirement benefits have been drawn from the plan, the whole fund consists of uncrystallised benefits and can normally be paid as an Inheritance Tax-free lump sum to your nominated beneficiaries. Payment is made under discretionary trust by IPS Pensions Limited as Scheme Administrator but we take your wishes into account. If you are aged 75 or older at the date of your death, any lump sum payment will be taxed at 55%. If you are aged under 75, then there is no tax charge on any lump sum payment unless your lifetime allowance is exceeded.

As an alternative, the balance of the fund can be paid as a dependant's pension provided there are dependants. This is subject to income tax. A dependant's pension can be paid either by purchasing an annuity or by income withdrawal as described above. Any contracting-out portion of the fund must pay a spouse's pension if there is a surviving spouse.

For a plan in phased retirement, only the unvested portion can be paid tax-free. The vested portion is treated as follows.

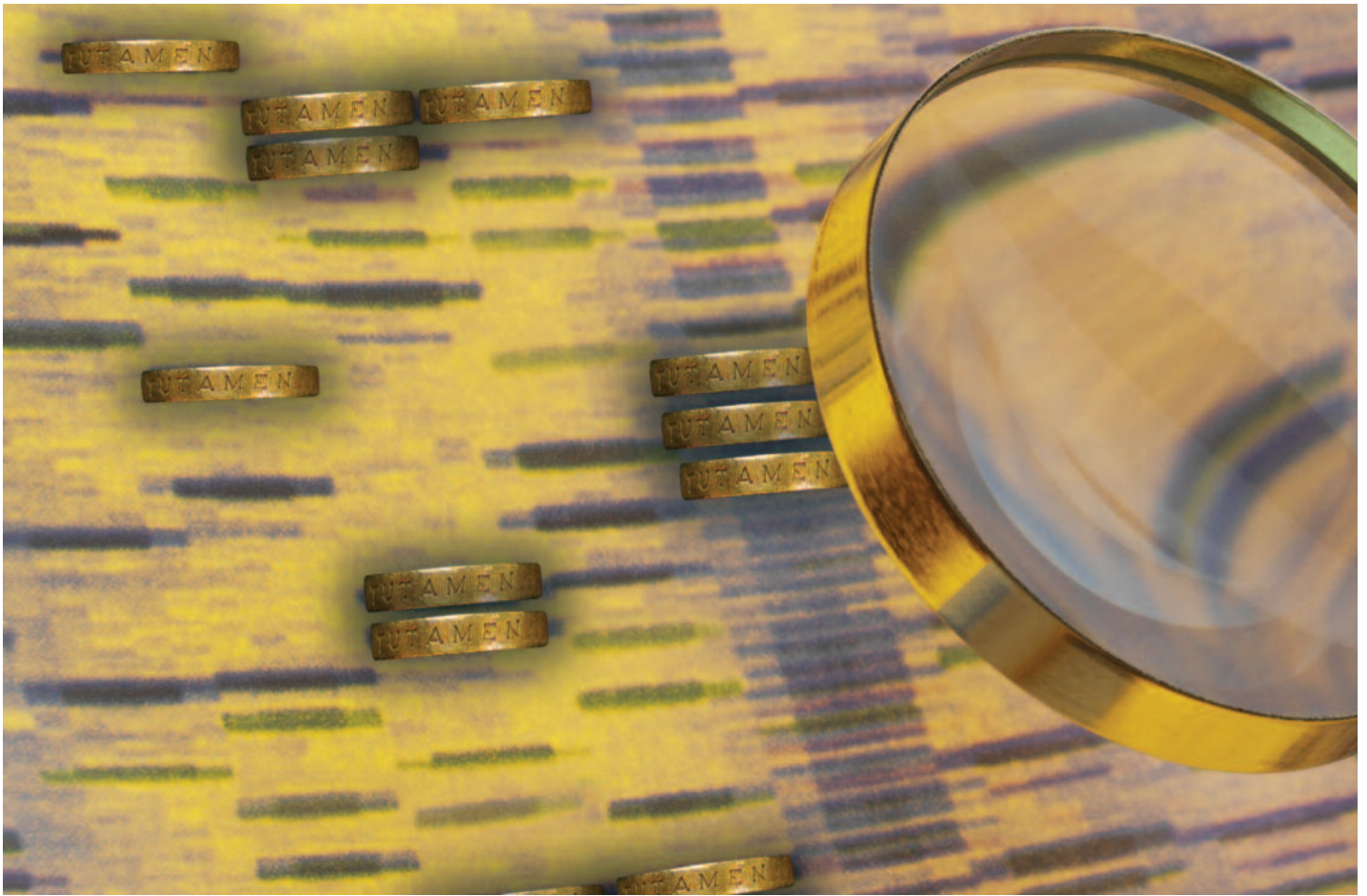
2 If you are receiving income withdrawal from the fund when you die, the residual fund can either provide a payment of the remaining fund as a lump sum to your nominated beneficiaries less a flat rate tax charge of 55%, or be paid as a dependant's pension. On the death of the dependant if income withdrawal continues, the remaining fund can be paid as a lump sum to their nominated beneficiaries, subject to a 55% tax charge.



## Service Charter

We aim to provide a top quality service which is always fair to our customers. This is based on our service principles, a copy of which is available on request.





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## How to apply for the IPS (2008) SIPP

**To establish an IPS (2008) SIPP, you must complete an application form and supplemental deed and provide these to IPS, together with payment of the first contribution or a completed transfer instruction form, from the arrangement being transferred to the SIPP.**

Application packs are available by contacting us at:

James Hay Partnership, Dunn's House, St Paul's Road, Salisbury SP2 7BF  
Tel: 08455 212414

These documents are also available on our website [www.jameshay.co.uk](http://www.jameshay.co.uk)  
Enquiries should also be made to the above addresses or telephone.

# Terms and Conditions

These terms and conditions set out the basis of your membership of the IPS (2008) SIPP and the services provided to you. They should be read in conjunction with the information provided above and in your Key Features Document, Application Form and Supplemental Deed and illustration.

## The IPS (2008) SIPP Legal Structure

The IPS (2008) SIPP is a Registered Pension Scheme under Part 4 and Schedules 36-38 of the Finance Act 2004. Its Registered Pension Scheme Number is 00605815RT.

From 6th April 2007, establishment, operation and closing of a personal pension scheme (including a SIPP) are regulated activities of the Financial Conduct Authority (FCA).

The IPS (2008) SIPP is established as a Master Trust with a Central Trust Deed which covers all the provisions and rules. Each new SIPP investor completes a Supplemental Deed to adhere to the Master Trust. The supplemental deed establishes a single ring-fenced trust for each individual SIPP and covers the provisions of these individual trusts.

IPS Pensions Limited is Scheme Administrator of the IPS (2008) SIPP. Administration services are outsourced to The IPS Partnership Plc. Union Pension Trustees Limited is the professional trustee for each SIPP, and you are appointed a co-trustee of your SIPP only. This gives you co-ownership and control of your SIPP funds and investments.

- The registered address of IPS Pensions Limited is at Trinity House, Anderson Road, Swavesey, Cambridge, CB24 4UQ. The registered company number is 02601833.
- The registered address of Union Pension Trustees Limited is at Dunn's House, St Paul's Road, Salisbury, SP2 7BF. The registered company number is 02634371.

## Key Documents

The documents relevant to the operation of your IPS (2008) SIPP which form the basis of your contract with us are as follows:

1. Master Trust dated 31st October 2001 and subsequent amendments.
2. Supplemental Deed between Union Pension Trustees Limited and you.
3. Application Form - this includes all information required by IPS Pensions Limited and Union Pension Trustees Limited to establish and run the SIPP. It is a legally binding document between you and the companies mentioned above.
4. Key Features Document.
5. This booklet "The IPS (2008) SIPP" including these Terms and Conditions.
6. Fee Structure

Copies of these documents are available for inspection by contacting The IPS Partnership.

In the event of a conflict between these documents, the terms of the Trust Deed and Rules shall prevail.

## Our Status

We are authorised and regulated by the Financial Conduct Authority ("FCA") to deal as a principal in investments, arrange (bringing about deals) investments and make arrangements in investments in the rights under the scheme(s) we operate, limited to Personal Pensions. Our FCA Registration Number is 461720.

## Our Relationship

We are obliged by the FCA to classify our relationship with you. We classify you as a Retail Client. Under FCA rules you have the right to request an alternative categorisation. However you should be aware that this may reduce or limit the level of protection available.

IPS Pensions Limited is authorised by the FCA to establish, operate and wind-up a SIPP. We cannot give advice about the suitability of the contract for you and recommend that you seek professional advice from a suitably qualified Financial Adviser. Nothing whatsoever provided to you by us either verbally or in writing should be construed as financial or investment advice as defined by the Financial Services & Markets Act 2000.

## Limitation and Indemnity

We, IPS Pensions Limited and Union Pension Trustees Limited, to the extent permitted by law and the rules of the FCA, do not accept liability in certain circumstances. These circumstances include:

- any losses suffered by the IPS (2008) SIPP as a result of us exercising our discretion under these Terms and Conditions to refuse your instructions.
- our reliance on any instructions given by you to us in accordance with these Terms and Conditions, provided that such instructions have been received by us in good faith and without negligence.
- any or all losses, costs, actions, proceedings, claims and demands which may be incurred by us arising directly or indirectly from us having acted in good faith pursuant to any purported instruction relating to benefit options or nominations and any purported investment directions.
- for any instruction sent by you or your investment adviser but not received by us, or for any failure or delay in implementing any instruction which is caused by circumstance beyond our reasonable control.

- for the default or any losses whatsoever caused by any third parties, nominees, other custodians, banks or authorised institutions which hold any assets for the purposes of the IPS (2008) SIPP.
- any properly given instructions we may give to sell a particular investment within your IPS (2008) SIPP for the purpose of avoiding any risks, liabilities or charges that may arise in relation to such an investment; and
- those circumstances set out in the Trust Deed.
- We do not accept liability for either your or your investment adviser's decisions relating to the purchase, retention and sale of any investments forming part of the IPS (2008) SIPP, nor do we accept liability for the performance or choice of any investments, or the performance or choice of any investment adviser or investment manager.
- Certain payments from the IPS (2008) SIPP may result in a liability for tax, interest or charge. If we believe that any payment from the IPS (2008) SIPP will result in such a liability, including any amount which we believe will equal any unauthorised payment tax charge, we may deduct a sum estimated to cover this liability from any payment from the IPS (2008) SIPP before paying the net amount, and we shall not be liable to you for such deductions.
- We will account for certain tax, interest or charges due to HM Revenue & Customs. Where liability for such tax, interest or charges is a joint liability, we will be deemed to have discharged our obligations to meet that liability where we have reasonably acted on information provided to us. If such information provided to us is incomplete or incorrect, then liability for any additional tax, interest or charges, or any unpaid tax on your benefits from the IPS (2008) SIPP, shall not be ours. In this event, we may recover the tax, interest or charge raised by HM Revenue & Customs from the relevant benefits or, if we are not able to recover from the relevant benefits, you will be liable to us for such amounts.

In accepting these Terms and Conditions through completing and submitting our application paperwork, you agree that you will be responsible for and will repay to us all reasonable costs, claims, expenses, tax charges, demands and losses whatsoever that we may suffer or incur in performing our duties in relation to the IPS (2008) SIPP or in carrying out our lawful duties and responsibilities in relation to you, except to the extent the same arise from the direct result of our negligence, fraud or willful default. This provision will remain in force notwithstanding that you may transfer-out of the IPS (2008) SIPP.

Nothing in these Terms and Conditions will exclude any obligations, duties or liabilities which we may have which the law does not permit to be excluded, including any obligations, duties or liabilities which may arise under the Financial Services and Markets Act 2000 and the rules of the FCA.

## Intellectual Property

All documentation, literature, website information, administrative processes, advertising and information regarding the IPS (2008) SIPP and IPS Pensions Limited belongs to us and is protected by applicable intellectual property rights.

## Conflicts of Interest

Occasions could arise where we, or one of our associated companies, will have some form of interest in business that we are transacting for you. If this happens, or we become aware that our interests or those of one of our associates conflict with your interest, we will inform you and obtain your written consent before we carry out your instructions. Further details of our Conflict of Interest Policy are available upon request.

## Quality of Service

Your use of our services is at your sole risk and we cannot warrant that our services will meet all your requirements. We will make every effort to ensure the service we provide is of a proper and reasonable quality. We cannot be responsible if we fail or delay the performance of our duties due to circumstances beyond our control.

## Complaints

Should the Member wish to register a complaint in relation to the services provided under these Terms and Conditions then such a complaint can be made in writing and addressed to the Complaints Manager, James Hay Partnership, Dunn's House, St Paul's Road, Salisbury, Wiltshire, SP2 7BF.

You can ask us for a copy of our complaints procedure and the Financial Ombudsman's guidance. If the complaint is not dealt with to your satisfaction then the matter may be referred to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London, E14 9SR. Any such action will not affect your right to take legal action.

## Financial Services Compensation Scheme

If you make a valid claim against us in respect of your SIPP and we are unable to meet our liabilities in full, you may be entitled to redress from the Financial Services Compensation Scheme ("FSCS"). We will send you details of the cover provided by the FSCS on request.

# Terms and Conditions (cont)

## Future Changes

We reserve the right to amend the Trust Deed, Rules, provisions, charges or Terms & Conditions of the IPS (2008) SIPP from time to time on 30 days notice, such notice to be by email or post and sent to the last address on our records. Such changes will take effect from the date stated on the notification. During the notice period we will not increase our then published transfer out fees and you will be free to transfer your fund to another pension provider, subject to the existing transfer out fees. We will generally only vary our terms for the following valid reasons:

- significant changes in pensions or other relevant UK or European legislation
- significant changes in regulatory regime or reporting requirements
- changes in how investment markets work which may impact on the operation of your SIPP
- to avoid cross-subsidisation between individual Member Funds where the provision of certain services are being charged on an uneconomic basis
- changes to the ownership of our business or how it operates
- to remedy manifest errors.

If we alter our terms for valid reasons and you are not happy with those changes, then we will waive our existing transfer out fee should you wish to transfer to another pension provider within 90 days of the changes coming into effect.

In the event that there is any discrepancy between the terms of your SIPP and its Rules, the Rules will take precedence.

## Administration

IPS Pensions Limited operates the IPS (2008) SIPP in accordance with administrative procedures set by ourselves. These can be subject to change which is carried out internally for the purposes of improving our operations. Please note the following:

- We cannot accept you as a member of the IPS (2008) SIPP without satisfactory completion of our application form and supplemental deed.
- We may decline an application at our discretion.
- On becoming a member you must agree to be bound by the Rules of the scheme and these terms and conditions and other provisions set out in our documentation mentioned above.
- You must agree that you will not require or attempt to require funds to be paid from your IPS (2008) SIPP other than in accordance with the Rules of the scheme.
- Once your application is accepted you will be issued login details to our website. This is to view details of your IPS (2008) SIPP only and transactions cannot be processed online. You must keep your login details safe and confidential.
- Where an application for membership is made by a legal guardian on your behalf because you are aged under 18, authority to manage your IPS (2008) SIPP rests with them until you reach age 18.

The Rules of the IPS (2008) SIPP do contain provisions for us to close or wind up the scheme, whereby we will cancel our contract with you. You will be given notice as explained above.

## Your right to change your mind

Once your Application Form and Supplemental Deed have been accepted, you will have a right to change your mind about opening your SIPP and in certain events once your SIPP is open. These are set out in the table below:

	CLIENT WITHOUT FINANCIAL ADVISER APPOINTED	CLIENT WITH FINANCIAL ADVISER APPOINTED
OPENING SIPP	30 calendar day cancellation period, after which you can invest any money received.  If you cancel your SIPP any money will be returned to the originator.  If you wish to invest straight away, you can waive your right to cancel your SIPP during this cancellation period.	30 calendar day cancellation period, during which time you can invest any money received.  If you cancel your SIPP any money will be returned to the originator less any fall in the market value of investments made.
PENSION TRANSFERS TO SIPP	30 calendar day cancellation period, after which you can invest any pension transfer money received.  If you cancel a pension transfer, any money will be returned to the previous scheme if it will accept the return of funds, or an alternative pension scheme.  If you wish to invest straight away you can waive your right to cancel your pension transfer during this cancellation period.	30 calendar day cancellation period, during which time you can invest any pension transfer money received.  If you cancel, the pension transfer will be returned* less any fall in the investment value.  *To the previous scheme if it will accept the return of funds, or an alternative pension scheme.
CONTRIBUTIONS	Contributions received after the 30 day 'Opening SIPP' cancellation period above will not receive any additional cancellation rights.	Contributions received after the 30 day 'Opening SIPP' cancellation period above will not receive any additional cancellation rights.
INCOME DRAWDOWN (INITIAL BENEFIT INSTRUCTION ONLY)	30 calendar day cancellation period.  If you cancel, you must return any Pension Commencement Lump Sum and income you receive.	30 calendar day cancellation period.  If you cancel, you must return any Pension Commencement Lump Sum and income you receive.
INVESTMENTS	Investment provider is responsible for determining if cancellation rights will be given. We will forward you any cancellation notice it produces or receives.	Investment provider is responsible for determining if cancellation rights will be given. We will forward you any cancellation notice it produces or receives.

## Money Purchase Benefits

The IPS (2008) SIPP is a "money purchase" arrangement, which means that eventual benefits payable on retirement and/or death are based on the accumulated fund value, and prevailing annuity rates, both of which are not guaranteed. There are, therefore, no underlying guarantees of the level of benefits payable from the IPS (2008) SIPP.

# Terms and Conditions (cont)

## Risk Factors

- The fund and the benefits it provides are not guaranteed. They will depend on future investment performance and the financial conditions when you draw benefits.
- Where a pension is taken earlier than originally intended, the benefits you receive could be less than expected.
- Investment performance of the underlying assets may be worse than assumed. The value of an investment can go down as well as up, and you may not get back what you originally put in.
- It may take time to realise certain assets such as property.
- Annuity rates, may be lower at retirement than expected.
- High income withdrawals are unlikely to be sustainable without high investment performance.
- Under income withdrawal, the benefit of cross-subsidy from funds of annuitants who have died is not available as it is with an annuity.
- Your personal circumstances may change, for example your IPS (2008) SIPP could be subject to Pension Sharing as a result of Divorce proceedings or the dissolution of a Civil Partnership, resulting in a lower pension for you.
- The fund growth will depend on the performance of the investments held by your IPS (2008) SIPP and the charges deducted.
- If you make joint investments with other IPS (2008) SIPP members, the Trustees may need to sell them if funds are required to pay retirement or death benefits for another member of the scheme.
- If you transfer funds into or out of the SIPP, the money will be out of the market, and you will not get the benefit of any market increases whilst the transfer is pending.
- The bank which holds your SIPP cash deposits may fail. You do not have enhanced protection under the Financial Services Compensation Scheme (FSCS) as a result of IPS using a designated client account.

## Appointment of a Financial Adviser

- Where advice is given to the members by a Financial or Investment Adviser, all members must appoint the same adviser.
- We will treat that adviser as continuing to be appointed unless we are notified in writing by all Trustees unanimously.
- The adviser must disclose to us in the Scheme Application or separately that they are suitably authorised by the Financial Conduct Authority for the purpose of providing advice in relation to the IPS (2008) SIPP, and that they are responsible for advising the members as to the suitability of the IPS (2008) SIPP for each member.

## Evidence of Identity and Money Laundering

To comply with the requirements of the Proceeds of Crime Act 2002, and incorporating the Money Laundering Regulations of FSMA 2000, we are obliged to carry out checks to establish proof of an investor's identity and residence. This applies to both introduced and direct clients. In addition, where an employer contributes, we are obliged to verify the firm's identity.

The application form requests the required information and includes consent for us to carry out these checks electronically, where appropriate. Should these checks prove unsatisfactory, proof of identity will be required to the satisfaction of IPS Pensions Limited. We cannot accept a new client until these requirements have been satisfied.

We cannot accept cash payments in any circumstances.

## Data Protection

We are registered under the Data Protection Act 1998 for the handling and processing of personal information.

Personal information provided may be maintained by IPS Pensions Limited and Union Pension Trustees Limited on computer and paper records and will not be disclosed to other parties except other businesses within the same group, representatives of our compliance advisers, our auditors, and any organisation requiring access to such information for regulatory purposes only, or any person having a legal entitlement to access. All cheques, documents of title, etc, may be sent by post to your last known address. The Recorded Delivery service will not normally be used but can be at your request.

This information is used for business analysis, fraud prevention and to keep accurate and up to date records. It will only be passed to third parties with the investor's permission as given in the IPS (2008) SIPP application form. It will however be used to verify the identity of a new applicant as mentioned above, and in the following circumstances:

- Where we are required to do so to comply with legal requirements
- If required to resolve a complaint or dispute
- Where we believe there may be criminal activity

If we pass personal information to a third party then it will be done in compliance with legal obligations under the Data Protection Act 1998.

Where a member acts as Trustee of the IPS (2008) SIPP, they may also be acting as a data controller and will be required to register under the Data Protection Act. It is your responsibility to determine whether this is necessary and to arrange registration if required.

## Communication

All correspondence will be made in English. Our standard methods for correspondence are letter, telephone and e-mail. It is our standard practice to correspond with one main contact only. Where an IPS (2008) SIPP is established as a result of advice from an Independent Financial Adviser, we will deal directly with them unless specifically requested not to do so by you. Telephone calls may be recorded for training or monitoring purposes.

- For postal and email communication we will use the last address notified to us by you. You are therefore responsible for informing us of any address changes.
- You should communicate with us at the postal address used by us or the email address(es) provided by us.
- We send all postal communication by first class post and will assume all letters as being received after 3 working days.
- We will assume all communication as coming from you (or your adviser(s)) if it appears that this is the case.

## Contributions and Transfers

- Payment of contributions may only be made in such format and manner as IPS Pensions Limited determines.
- The IPS (2008) SIPP allows a third party to make contributions on behalf of a member (such as a spouse, parent or grandparent). In such cases we will need to verify both the identity of the member and the person paying the contribution.
- IPS Pensions Limited makes a monthly tax claim for all personal contributions paid in the previous tax month (i.e. to the 5th of the month). It normally takes between 6 and 8 weeks for tax relief to be refunded by HM Revenue & Customs.
- If contributions to all your registered pension arrangements exceed the "Annual Allowance" in any tax year, the excess will normally be subject to a tax charge of 40%. You should ensure that you monitor the level of payments you make.
- Where contributions are paid by your employer, they will make a gross contribution to your IPS (2008) SIPP and reclaim tax relief directly from HMRC.
- If you are contracted out of S2P via your IPS (2008) SIPP, your share of the National Insurance rebates will be increased by the Government to allow for basic rate tax relief.
- If a contribution is refunded, this may be less than the amount originally paid due to a deduction for our charges and any negative investment performance while funds were held within your IPS (2008) SIPP.
- You are responsible for ensuring all contributions are within allowable limits. Any interest payable to HM Revenue & Customs on overpaid tax relief will be deducted from your IPS (2008) SIPP.
- Ultimate responsibility for initiating a transfer from another pension arrangement rests with you. We undertake to assist with and chase for transfers but cannot accept any responsibility for any delays in receiving a transfer.
- If a transfer is received in error, IPS Pensions Limited reserves the right to make a refund after deduction of a time cost administration fee without further authority from you.
- You have the right to transfer all or part of your IPS (2008) SIPP fund to another Registered Pension Scheme or Qualifying Recognised Overseas Pension Scheme. We charge a fee to process a transfer. This fee is to cover the work involved in ensuring a smooth transfer is made and is not a penalty for terminating your IPS (2008) SIPP arrangement.

# Terms and Conditions (cont)

## Contributions by Employers

The Pensions Regulator has introduced a Code of Practice headed "Reporting late payment of contributions to personal pensions", which came into effect from 6th April 2006. The Code is intended for employers who pay contributions into an employee's personal pension, including a SIPP.

Employer's contributions, and any contributions that have been deducted direct from an employee's pay, are made in accordance with an agreement with the employee.

Under the Code of Practice, the employer is required to pay the contributions over to the SIPP provider within a statutory timescale. If the employer makes a late payment (or the payment is insufficient or not made at all), or does not provide information requested by the scheme administrator, the scheme administrator is required to make a report to The Pensions Regulator, if it is deemed as being of "material significance".

Late payments are classified as any type of contribution paid by the employer that is not received by IPS Pensions Limited by the due date. The due date is defined as follows:

Where a contribution has been deducted from an employee's pay, the contribution must be received by the 19th of the month following the month in which the contribution was deducted.

Where an employer is paying contributions, the employer must complete a "Record of Payments Due" confirming the intention to make the contributions and the intended dates of payment.

If a late payment occurs and is deemed by IPS Pensions Limited to be of material significance as defined by The Pensions Regulator, it will be reported to The Pensions Regulator. An example of when a report will need to be made is where contributions have not been paid 90 days after the due date.

The employer has 30 days from the date that IPS Pensions Limited requests the required details. If the employer does not provide the information within the 30 day period, IPS Pensions Limited must report this to The Pensions Regulator within a further 30 day period.

Information about this Code of Practice can be found at:

[www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

Details of the rules, arrangements and process for payment of benefits on retirement and death from the IPS (2008) SIPP are contained in our Technical Product Guide. A copy can be provided on request.

Retirement and death from the IPS (2008) SIPP are contained in our Guideline on Benefits on Retirement and Death. A copy can be provided on request.

## Instructions

We require our clients to give us instructions in writing. We will accept oral instructions at our discretion, which must be confirmed in writing. We can refuse your instructions where these are either unreasonable or will result in a breach of pension or other regulations. Our reasons for refusing instructions will be explained.

## Investments

All investments will be registered in your name and Union Pension Trustees Limited unless otherwise agreed in writing (for example, on receipt of your written instruction or completion of the relevant section in your application form, we can register investments in the sole name of Union Pension Trustees Limited). Unless you instruct us in writing to the contrary, we will forward to you all contract notes and documents showing ownership of your investments as soon as practicable after we receive them. Where a number of contract notes and documents of title are involved, we will await arrival of all of them before sending them to you, which will be no later than 28 days after receipt of the first contract note.

- Investments can be arranged via the appointment of nominees, custodians, delegates and scheme advisers. All such appointments must be made jointly by you and Union Pension Trustees Limited on whatever terms are considered appropriate.
- IPS Pensions Limited is not required to assess the suitability of investments made by your IPS (2008) SIPP, although IPS Pensions Limited has discretion to refuse any investment on the grounds that it will or is likely to incur tax charges from HM Revenue & Customs, which is in accordance with our duties as Professional Trustee to act in the best interests of the beneficiaries.
- IPS Pensions Limited and Union Pension Trustees Limited cannot accept any responsibility for the selection or performance of the underlying investments made by your IPS (2008) SIPP.

## Execution of Orders

All requests to place investments with your IPS (2008) SIPP will be made in a prompt, fair and expeditious manner in accordance with normal timescales. IPS Pensions Limited does not take account of market fluctuations when carrying out an investment request and it is your or your Financial Adviser's responsibility to ensure explicit instructions are provided if market timing is an issue. Any difficulties experienced in carrying out orders will be communicated promptly upon us becoming aware of the difficulty.

When an investment is made for your SIPP, we will issue an email no later than the next business day either to yourself or if your SIPP was established as a result of advice from a Financial Adviser, to your Adviser, to confirm this.

We can also provide you further details of any investment made on request. Some investments are not liquid and can take time to sell. Any instructions to disinvest will be followed in accordance with our standard procedures.

Tax Rules:

- If the value of all your Registered Pension Schemes, including your IPS (2008) SIPP exceeds a certain limit (known as the "Lifetime Allowance") when you commence retirement benefits, the excess may be subject to a 55% tax charge.
- Some investments made and costs paid by your IPS (2008) SIPP may incur a liability to VAT.
- Should HM Revenue & Customs regulations be breached, penalties can be imposed in the form of tax charges. These may be payable by yourself personally or from your SIPP fund. You will be held responsible for all tax incurred as a result of your own actions, such as pension commencement lump sum re-cycling and Unauthorised Payments.
- The amount of tax due on payment of pension benefits may be dependent upon benefits held in other pension schemes. Pensions are therefore paid net of the maximum income tax rate applicable to the level of pension we pay until you provide information to the contrary (such as your tax code).

## Statements and Valuations

- A yearly transaction summary will be sent to you. If your IPS (2008) SIPP was introduced via a Financial Adviser, this will be sent to them to be passed to you.
- We make transaction statements and membership information available via our website [www.jameshay.co.uk](http://www.jameshay.co.uk)
- On establishing an IPS (2008) SIPP a unique log-in i.d. and password for our website will be allocated and sent to the main contact.
- Ad hoc paper statements can be issued on request, although we reserve the right to charge an additional fee for this.
- Valuations and statements for the investments you choose to make with your IPS (2008) SIPP will depend on the providers of these investments and you will need to agree this with them.

## SIPP BANKING

When an IPS (2008) SIPP is established, contributions, rent payments etc to the IPS (2008) SIPP, and payments out, such as pension payments, investments, sundry expenses, and IPS's fees, are paid via a sterling segregated pooled designated client account with Barclays Bank Plc in the name of "IPS Partnership Plc Designated Client Account". The account is operated by The IPS Partnership Plc on behalf of IPS Pensions Limited – the Scheme Administrator. This account also holds the SIPP's cash deposits. There is no minimum balance for this account. The account incurs no charges except for same day CHAPS payments.

There is also the option to hold cash funds in other currencies within segregated pooled client accounts with Barclays Bank Plc, as explained in the booklet "The IPS (2008) SIPP". There are risks of using currencies other than sterling which occur as a result of fluctuations in currency rates.

These accounts are subject to the FCA's client money rules and are operated by The IPS Partnership Plc on behalf of IPS Pensions Limited as Scheme Administrator. They are segregated pooled designated client accounts. No funds are transferred into or out of the accounts without written authority to us from the member or their appointed investment adviser, either as a specific instruction or by completion of an investment application form.

# Terms and Conditions (cont)

benefit request form, contribution, standing order or cheque or other specific documentation requiring funds to be transferred, except for the payment of IPS Pensions Limited's agreed fee

IPS Pensions Limited can transfer funds on receipt of instructions from a Financial Adviser or investment adviser who is authorised and regulated by the FCA, provided there is a suitable mandate in place signed by the member which authorises us to accept such instructions.

The accounts are operated on a "Statutory Trust " basis, which means neither IPS Pensions Limited nor The IPS Partnership Plc have discretion to pay funds out of the accounts on behalf of a SIPP client before they are received. In addition, the accounts cannot run an overdrawn balance.

Interest on the sterling Barclays Bank account is calculated on your own cash balance the 1st working day of each month based on the cleared balance held up to the penultimate day of the month and is applied on the last day of the month. Interest starts to accrue on your account once funds have cleared, which is typically the third working day after they are paid-in. Where transfers are received into the designated client account after 3pm, they will be treated as received on the following business day and interest will be calculated accordingly.

The rate of interest credited to your sterling designated client account is 0.4% below Bank of England Base Rate for balances of over £50,000 and 0.6% below Bank of England Base Rate for balances of under £50,000. IPS Pensions Limited may increase the required balance at which interest is credited at 0.4% below bank base rate, in line with the increase in National Average Earnings each year.

Should the Barclays Bank base rate fall to a level whereby a negative interest rate would apply under these terms, the rate of interest payable will be zero.

The rate of interest credited to the foreign currency designated client accounts is 1% below Barclays' quoted "Reference Rate", which is the term used to describe base rate for foreign currencies. Interest is calculated and applied in the same way as the sterling account described above.

Any additional interest payable by Barclays Bank Plc on these accounts is for the benefit of IPS Pensions Limited.

As stated above, no interest is credited to your SIPP on funds whilst they are passing through bank clearing, which typically takes three working days. IPS Pensions Limited reserves the right to earn interest on the available balance passing through clearing on a daily basis, at the prevailing rate.

Transfers are normally made by BACS or cheque. The client's entitlement to interest on the funds being transferred ceases when the payment instruction has been actioned.

Same day CHAPS transfer instructions must be given to IPS Pensions Limited by 11.00am on a working day, and are subject to a £15 CHAPS charge.

In the event of the insolvency of Barclays Bank Plc, you will be covered by the arrangements described in the section headed "compensation" above.

By completing an IPS (2008) SIPP application form, you will be consenting to these banking arrangements and also giving your consent to IPS Pensions Limited to amend the banking arrangements subject to giving you one month's advance notice as outlined above in "Future Changes".

## Law

English law will be the basis of this contract and the language in which this contract will be interpreted, and in which all communications will be conducted, will be English. The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Client Agreement.

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

Tel: 08455 212414

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 3rd Floor, 37 Esplanade, St Helier, Jersey, JE2 3QA. 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, 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.(01/14)