

Pension Sharing Orders

For members and their spouses or civil partners

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Important Information

For both parties

- In order to proceed with a pension sharing order, we will require the Decree Absolute and the Pension Sharing Annex, together with the sealed Consent Order before any action by James Hay is taken.
- James Hay has four months to organise the transfer of the pension monies (the Pension Credit) due to the ex-spouse's/civil partner's chosen pension provider. This period starts on receipt of the above-mentioned documents.
- On receipt of the Court documents James Hay will inform both parties that the pension plan(s) caught by the pension sharing annex and the Consent Order will be valued for pension sharing purposes on the 10th working day after our acknowledgment letter of the Court documents to both parties, unless both parties agree to a different date.
- James Hay would expect to be advised within five working days if another date is to be considered. Please bear in mind that James Hay will be charging for the time spent on arranging the Pension Credit as allowed for under the legislation.

100% Pension Credit Orders

If upon receipt of the divorce documents the member is currently taking an income, we shall immediately arrange to reduce the member's income payments to zero, unless the Court Order provides otherwise. Please bear in mind that we may not be able to stop a pension payment within 10 working days of the month end, as the payroll details will have already been sent to the bank for processing.

For the member

We shall require disinvestment instructions as quickly as possible to enable the payment of the pension credit to be made promptly. Please note that disinvestment instructions must be received on the appropriate proforma. Please call our help line number 0845 850 4455 if in any doubt. In any event we require the disinvestment instructions to be within 10 working days of you receiving the valuation of your pension plan that we will have sent you. (Please see the third bullet point above).

Please note that the value of the fund may well have fluctuated (either up or down) by the time the assets are actually sold – this may result in a higher percentage of the fund being transferred than intended. Hence the request for prompt instructions.

- Thought should also be given to any funds that may incur a surrender penalty or early redemption charge. Please note that James Hay does not accept responsibility for any charge or penalty in respect of disinvestments from a third party.
- If we have not received confirmation of which funds to sell within the above time period we will, under normal circumstances, disinvest the required amount, proportionately across all funds held, as far as we are able. May we stress that we would much rather have your disinvestment instructions.

Of more relevance to the member

- In cases where the Court Order states that your ex-spouse will receive 100% of the plan value, and you are either taking partial benefits or have not started to take benefits, we shall require written confirmation from you as to whether you wish to keep the plan open after the pension credit payment has been made. This confirmation will need to be received within 28 calendar days from the date of us receiving the Court documents. Failure to do so could result in your plan attracting unnecessary charges.
- If you were taking full benefits from the whole plan it will automatically be closed once the pension credit payment has been made.

For the member's spouse/civil partner

- James Hay will transfer the pension credit to your chosen provider when your ex-spouse's/civil partner's plan has the funds available and we have your written authority to transfer the monies.
- We will send you a reminder if you have not provided this information within 28 days of James Hay receiving the Court documents. Legally, James Hay must complete the pension credit process within four months; however, this is only possible if we receive the co-operation of both parties. In addition, your ex-spouse/civil partner is entitled to manage their remaining pension portfolio without having to account for the element that is due to you.

Of more relevance to the member's spouse/civil partner

- Any accrued interest is transferred to a member's account on the first of each month. With regards to 100% orders where the member wishes to keep the plan open, we will need confirmation from you as to how you wish to proceed. We can wait until the first of the next month before the transfer is made, in order that you receive the interest; or if you are happy to forego any interest accrued in that final month, the transfer will be made as soon as all outstanding requirements have been met. Written confirmation of this, either way, shall be required.
- The date we receive your written request to transfer your pension credit to your chosen pension provider, in respect of 100% orders, is the date we will start the process of encashing the funds.

Other Information

Property

- If a commercial property is an asset of the pension plan, thought should be given as to whether it is practical for the Court to agree to a pension sharing order because of potential liquidity considerations.
- Where the pension plan owns only part of the property then the co-operation of the other SIPP members may well be required in any buy out to provide the liquidity for the Pension Credit.
- The default position is that the property may have to be sold, against the wishes of the non-divorcing SIPP members, on the open market.

James Hay Pension Sharing Charges - General

- The Court Order usually directs us as to who should pay any fees incurred in connection with the matrimonial proceedings and under direction from the Inland Revenue; these must be paid by the relevant pension fund. Charges will become payable at the time of transfer.
- Where a commercial property is held as an asset of the plan, any valuation fees that are due will be paid initially from the member's trustee bank account.

Statutory Information

Plan details

The underlying legal framework for the James Hay SIPP is 'The James Hay Personal Pension Plan' and the plan has been set up under trust and approved as a registered pension scheme by the Revenue. The Revenue Pension Scheme Tax Reference is 00616231RE.

James Hay Insurance Company Limited is the provider of the above plan and has appointed James Hay Pension Trustees Limited as Trustee of the scheme and James Hay Administration Company Limited to administer the Scheme.

James Hay also act as trustee and administrator for the Friends Provident SIPP (Revenue Pension Scheme Tax Reference 00605421RY) where Friends Provident is the provider.

The address for correspondence is as detailed on the cover letter.

If the SIPP member is not taking benefits from all arrangements under the plan at the time of the pension sharing order the ex-spouse/civil partner may be entitled to an element of pension commencement lump sum with the pension credit, when they take benefits from their chosen provider.

The court may require the plan to be valued on a cash equivalent transfer value basis (i.e the value of the plan if all the assets were sold). The transfer value will only be provided upon receipt of the court or member's authority. However, the latest annual valuation produced for the member may provide sufficient information to guide all the relevant parties.

Pension options for Pension Credit

The ex-spouse/civil partner will be entitled to:

- Open a separate SIPP with James Hay if required (standard James Hay charges will apply), or,
- Transfer out to another Registered Pension Scheme or to a Qualifying Recognised Overseas Pension Scheme.

Benefits available for Pension Credit

- If the ex-spouse/civil partner opens a SIPP plan with James Hay, the benefits available are detailed in our SIPP Guide (a copy is enclosed for your information).
- If the ex-spouse/civil partner transfers to another pension scheme, they will need to contact the appropriate pension provider for further details.

Transfer out of Pension Credit

- Upon receipt of clear written instructions from the ex-spouse/civil partner, providing full details of the receiving scheme, James Hay will transfer the funds representing the Pension Credit providing the receiving pension scheme is able to accept the transfer.

Death Benefits for Pension Credit

- If the ex-spouse/civil partner dies after the Court Order has come into force, but before the pension credit has been completed, James Hay will act as if the ex-spouse/civil partner had survived and opened a James Hay plan and that the Pension Credit had been completed.

James Hay pension sharing charges

- Under government legislation, a scheme administrator can recover costs in relation to a pension sharing order. Charges will become payable at the time of transfer. If the transfer does not proceed but an ad hoc valuation was requested, James Hay's standard fee for this service will be charged.
- A schedule of charges is enclosed. Please note: There are no charges for providing this type of information.

Schedule of charges

Schedule of charges for pension sharing

In order to recover the costs involved in the setting up of a Pension Credit for the ex-spouse/civil partner to be transferred to a new Pension Plan; James Hay Administration Company will make the following charges:

Hourly Charge	£150.00
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Finally

We appreciate that this is a difficult time for both of you. Therefore, to ensure a swift conclusion to the pension credit transfer for all parties, please do not hesitate to contact us if you have questions about any aspect of the pension sharing order that James Hay are dealing with.

Notes

There is no VAT payable on the above charges.

James Hay Administration Company will deduct the charges from the original SIPP member's designated account, unless the Court Order allows the charges to be deducted from both parties.

James Hay Administration Company estimates that the setting up of a Pension Credit will take 5 hours, but reserves the right to make further charges if the case is protracted.

If the Pension Credit is transferred to a new James Hay SIPP then the standard James Hay SIPP charges for administering the new plan will apply, but the charges for setting up the Pension Plan will be waived. However, we still reserve the right to make a charge if the case becomes very protracted.

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

This fact sheet issued by the James Hay Technical Support Unit for use in connection with the James Hay SIPP. No responsibility to any third party is accepted if the information provided in this document is used for any other purpose. This fact sheet is based on our understanding of current UK legislation and HMRC practice.

The James Hay SIPP product is provided by James Hay Insurance Company Limited (JHIC), which has appointed James Hay Pension Trustees Limited (JHPT) as trustee and James Hay Administration Company Limited (JHAC) as scheme administrator. JHIC is regulated by the Jersey Financial Services Commission and is registered in Jersey (Number 77318) at IFG House, 15 Union Street, St Helier, Jersey, JE1 1FG. JHPT (registered number 1435887) and JHAC (registered number 4068398) are both registered in England and have their registered office at: Trinity House, Buckinghamway Business Park, Anderson Road, Swavesey, Cambs, CB24 4UQ. JHIC, JHPT and JHAC are part of the James Hay group of companies, which is a wholly owned subsidiary of IFG Group PLC. JHAC is authorised and regulated by the Financial Services Authority (FSA) under Firm Reference Number 460698 and you can check this authorisation at www.fsa.gov.uk/register or by calling the FSA on 0845 606 1234.