

# Pension Sharing Orders

For members and their ex-spouses or ex-civil partners

(For IPS Pension Builder SIPP only)

## FEATURES

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# A: Important information

## Plan details

The IPS Pension Builder SIPP (SIPP) is a Self Invested Personal Pension which has been set up under trust and approved as a registered pension scheme by HM Revenue & Customs (HMRC). The HMRC Pension Scheme Tax Reference is 00605666RJ.

IPS Pensions Limited is the provider of the SIPP and has appointed Union Pension Trustees Limited as Trustee of the scheme and IPS Pensions Limited as the scheme administrator.

The IPS Pension Builder SIPP is set up on a joint trustee basis and the member trustee (the member) is responsible for managing the investments within the scheme.

The responsibility to arrange purchases and disinvestments lies solely with the member. Please be aware that without disinvestment instructions provided to us by the member, we will be unable to disinvest any scheme assets.

## For both parties

We can consider a draft of the Pension Sharing Annex and provide feedback regarding the practicality of arranging the transfer of pension money (the pension credit) to a new scheme or arrangement for the ex-spouse/civil partner, but our feedback cannot in any way be considered to be legal advice. Please note that depending on the underlying assets of the scheme, the time frame for the arrangement of the pension credit transfer can vary greatly. We will not normally charge for providing this feedback.

In order to proceed with giving effect to a pension sharing order, we require certified copies of the following court documents before any action is taken:

- Decree Absolute
- The sealed Court Order
- The Pension Sharing Annex.

We have four months to organise payment of the pension credit due to the ex-spouse's/civil partner's chosen pension provider. This period starts on receipt of the court documents **and** the completed Pension Credit Transfer Request Form, which is available from our website at [www.jameshay.co.uk](http://www.jameshay.co.uk) or on request.

On receipt of the court documents, we will inform both parties that the SIPP will be valued for pension sharing purposes on the tenth business day after our acknowledgment of receipt of the court documents, unless both parties agree to a different date.

If a different date for the valuation is required, we must be advised of this within five business days of our acknowledgement.

If the member has not started to take benefits from all arrangements under the IPS Pension Builder SIPP at the time of the pension sharing order, the ex-spouse/civil partner may be entitled to receive an element of pension commencement lump sum when they come to draw benefits from their chosen provider on retirement.

The court may require the IPS Pension Builder SIPP to be valued on a cash equivalent transfer value basis (i.e. the value of the SIPP 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.

### **100% Pension Credit Order**

If upon receipt of the court documents the member is currently taking an income from the SIPP, we shall immediately arrange to cease paying income, unless the Court Order provides otherwise. Please bear in mind that we may not be able to stop a pension payment within ten business days of the month end, as the payroll details will have already been sent to the bank for processing.

## A: Important information continued

In cases where the Court Order states that the member's ex-spouse/civil partner will receive 100% of the SIPP value, we shall require written confirmation from the member if they wish to keep the SIPP open after the pension credit payment has been made. This confirmation will need to be received within 28 days from the date of us receiving the court documents. Failure to do so could result in the SIPP attracting unnecessary charges which will be payable by the member.

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### For the member

If there are insufficient available funds to meet the value of the pension credit, we normally require disinvestment instructions as soon as possible to ensure the payment of the pension credit can be made promptly. Please call our general enquiry number 03455 212 414 if in any doubt.

The amount of the pension credit is fixed at the valuation date and subject to funds being available will not change. However, due to fluctuations in the underlying value of the assets, when this pension credit is paid it may equate to a higher or lower percentage of the member's pension fund.

You may need to consider whether any funds may incur a surrender penalty or early redemption charge. Please note that neither IPS Pensions Limited nor Union Pension Trustees Limited accepts responsibility for any charge or penalty in respect of disinvestments from a third party.

If we have not received any instructions to arrange that there are sufficient funds to meet the pension credit within the deadline instructed by the court, we will remind all parties that the responsibility to arrange disinvestments lies solely with the member. If the member does not comply with the instructions provided by the court, then they will be in breach of the Court Order and may be subject to sanctions accordingly.

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### For the member's ex-spouse/ ex-civil partner

We will transfer the pension credit to your chosen provider when the funds in the IPS Pension Builder SIPP are available and we have received your completed Pension Credit Transfer Request Form

and acceptance documentation from the chosen pension provider.

We will send a reminder if this information has not been provided within 28 days of us receiving the court documents. Legally, we must complete the pension credit process within four months of receipt of all relevant documentation. However, this is only possible with the co-operation of both parties. In addition, the member is entitled to manage their remaining pension portfolio without having to account for the element that is due.

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## Other information to consider

### Property

If a commercial property is an asset of the SIPP, thought should be given as early as possible in the divorce proceedings as to whether it is practical for the court to agree to a pension sharing order because of potential liquidity considerations.

Where the SIPP owns only part of the property, and the property is the subject of the pension sharing order, the co-operation of the other part owners will be required in any buy out to provide the necessary liquidity for the pension credit.

It may not be possible to arrange the sale of the property without the consent of the other part owners.

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### General charges

The Court Order usually directs us regarding who should pay any fees incurred in connection with the proceedings, and under direction from HMRC, these must be paid by the relevant pension fund. In the case of 100% Pension Credit Orders some of the fees may need to be paid from outside the SIPP. Charges are payable at the time of transfer.

Where a valuation is required for an asset of the SIPP, any relevant fees which are due will be paid from the scheme bank account held for the member. Where applicable and in line with the Court Order, a proportion of these charges will be deducted from the pension credit.

# B: Statutory information

## Pension options for pension credit

The ex-spouse/civil partner is entitled to:

- Open a separate SIPP with us if required (our standard charges will apply), or
  - Transfer out to another Registered Pension Scheme or to a Qualifying Recognised Overseas Pension Scheme.
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## Our pension sharing charges

Under government legislation, a scheme administrator can recover costs in relation to a pension sharing order. Charges are payable at the time of transfer. If the transfer does not proceed but an ad hoc valuation was requested, our standard fee for this service will be charged. Our charges are set out in Part C of this factsheet.

## Benefits available for pension credit

If the ex-spouse/civil partner opens a SIPP plan with us, the benefits available are detailed in the relevant Technical Guide. A copy can be obtained from our website [www.jameshay.co.uk](http://www.jameshay.co.uk), or on request.

If the ex-spouse/civil partner transfers to another pension scheme, they will need to contact the appropriate pension provider for further details.

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## Transfer out of pension credit

Upon receipt of clear written instructions from the ex-spouse/civil partner, with full details of the receiving scheme, we will transfer the funds representing the pension credit, provided the receiving pension scheme is able to accept the transfer.

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## 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, we will act as if the ex-spouse/civil partner had survived and opened a plan with us, and that the pension credit had been completed prior to death.

# C: Schedule of charges

## Schedule of charges for pension sharing

In order to recover the costs involved in setting up a pension credit for the ex-spouse/civil partner and transferring it to a new pension plan or arrangement, we will make the following charges:

- Provision of information - £200
- Implementing Pension Sharing Order - £200

Please note VAT is payable in addition to the above fees.

Please be aware that in addition to the standard charges, we reserve the right to apply an hourly charge of £150 plus VAT for additional services on a time-cost basis, relevant to the expertise and seniority of our staff involved.

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## Finally

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

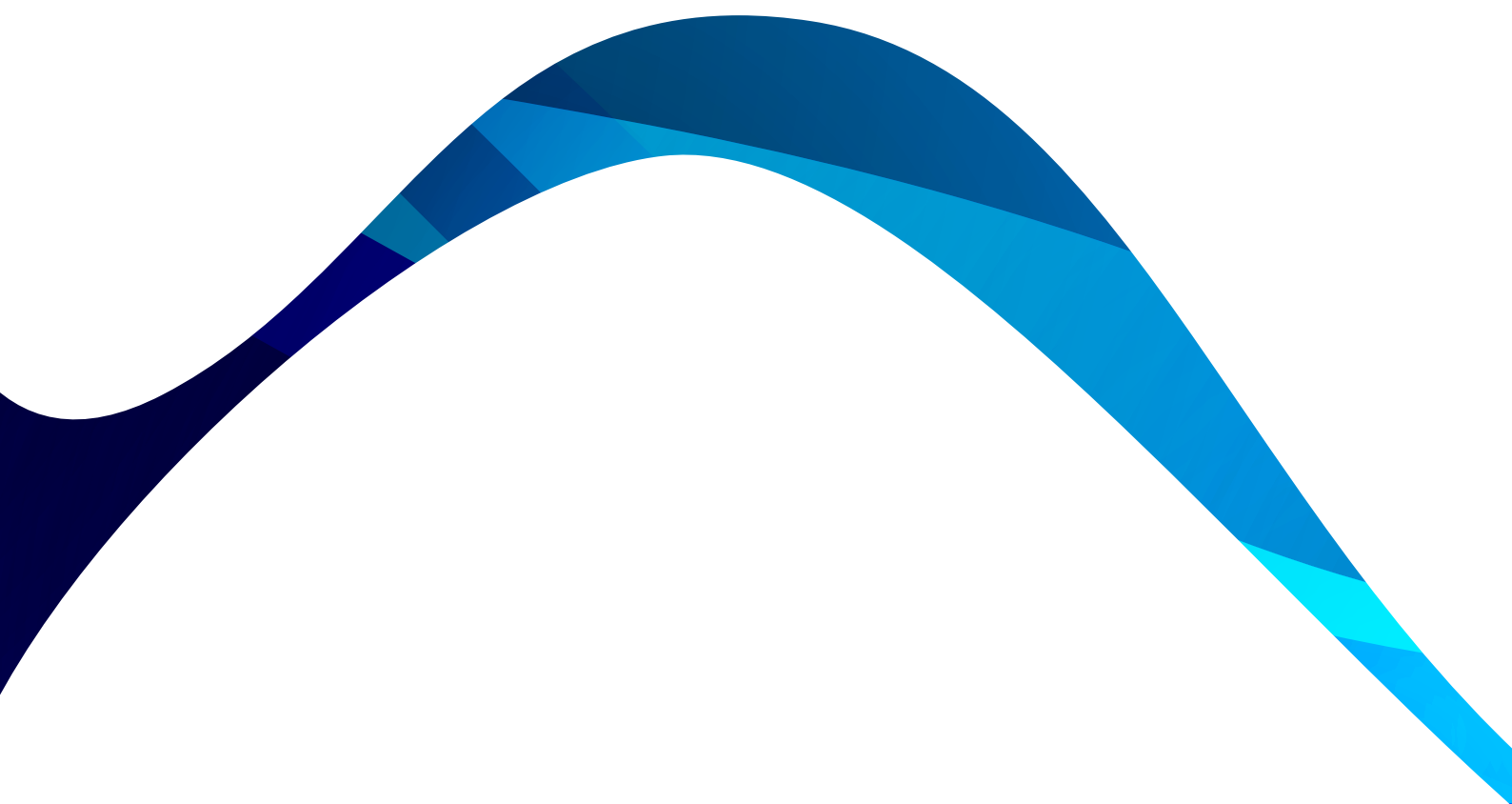
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## Notes

**We will deduct the charges from the bank account held for the original member, unless the Court Order allows the charges to be deducted from both parties.**

**If the pension credit is transferred to a new SIPP with us then our standard 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.**

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