

# Plan Closure Request for Fully Crystallised SIPP

For plans already in capped or flexi-access drawdown



## Application guide

This form should only be completed if you wish to withdraw your remaining SIPP funds as an income payment and close your SIPP.

If you want to take a pension commencement lump sum (PCLS), or an uncrystallised funds pension lump sum (UFPLS), you will need to complete the applicable 'Benefit Payment Form'. If you wish to transfer your SIPP to another provider, you will need to complete the 'Transferring Away from James Hay' form. These documents are available on our website at [www.jameshay.co.uk](http://www.jameshay.co.uk).

**PLEASE NOTE: If your SIPP will convert to flexi-access drawdown as a result of requesting this income payment, the money purchase annual allowance rules will apply and you will need to notify any other providers with whom you have a pension.**

Before closing your SIPP, you should consider the impact that this may have on any other pension funds and whether your remaining income from pensions and other sources is sustainable. You should discuss your requirements and personal circumstances with your financial adviser. If you do not have a financial adviser you can visit [www.unbiased.co.uk](http://www.unbiased.co.uk) or call them on 0800 023 6868 to obtain a list of financial advisers in your local area.

Please complete this form in BLOCK CAPITALS and black ink and return it to James Hay, Suite 202 Warner House, 123 Castle Street, Salisbury, SP1 3TB, or attached to a secure message sent via James Hay Online. If you need any help to complete this form, please call your Customer Support Team or our general enquiry number 03455 212 414.

## Pension Wise - Accessing the Government's free and impartial guidance service



Pension Wise is a Government-backed service provided by MoneyHelper that offers people who are invested in defined contribution pension schemes and are approaching retirement free, impartial guidance about their choices. You can receive Pension Wise guidance online, over the phone or face to face.

Pension Wise provides tailored guidance to explain what options you have and help you think about how to make best use of your pension savings. It offers information about the tax implications of different options and other important things you should think about, as well as tips on how to get the best deal, including how to shop around.

Choosing what to do with your pension savings is an important financial decision and it is often possible to get more for your money by shopping around.

You can access Pension Wise on the [MoneyHelper website](http://www.moneyhelper.co.uk) or call either 0800 138 3944 or 0300 330 1003 (from outside the UK +44 20 3733 3495).

If you would like an appointment with Pension Wise to discuss the action you're considering, we can arrange this for you. Please provide your contact details in Section 2. Alternatively, you can book your own Pension Wise appointment by calling 0800 100 166.

## 1 Important information and risks you must consider before proceeding

Applicant to complete

Our regulator, the Financial Conduct Authority (FCA), requires us to ask you questions regarding matters you should have considered before accessing your SIPP through drawdown.

Depending on your answers, we will write to you either:

1. with tailored risk warnings, giving you 14 days to consider them before proceeding with processing your benefit instructions (but will in the meantime proceed with any disinvestments if you also provide a completed 'Instruction to Trade Form'); or
2. to confirm that, given your answers, we will not be issuing any risk warnings, as you appear to have considered the relevant risks, and so we will proceed with processing your instructions.

If you have received advice from a regulated financial adviser and are following this advice, and your financial adviser is submitting your instructions by way of confirmation of this, then you do not need to answer the questions in Section 1, as any risks should already have been explained to you as part of that advice. Otherwise, you must answer all of the following questions.

**A) If the income you are requesting will convert your SIPP to flexi-access drawdown, please complete the questions below. If you wish to remain in capped drawdown or you are already in flexi-access drawdown, please instead complete the questions in Section B.**

1. Have you considered the state of your health and lifestyle when deciding the amount of money to take from your pension? For example if you are in good health, you need to consider that the income from your pension fund may need to support you for many years to come. Yes ☐ No ☐
2. If you have a spouse, civil partner or dependants, have you considered how your pension fund could be used to provide for them after your death? Yes ☐ No ☐
3. Over time the effect of inflation means you can purchase less in the future than you can today with the same amount of money. Have you considered the effect of inflation on any money you take out of your pension? Yes ☐ No ☐
4. You should consider what other companies can offer you, to ensure you are happy with the options available from James Hay and the charges payable, before proceeding. Have you considered alternative pension companies to take money out of your pension with? Yes ☐ No ☐
5. Have you considered other ways of taking money from your pension other than income drawdown e.g. an annuity?  
If you are not sure what other options are available to you, you can find more information in the 'Your pension; your choices' leaflet available at [www.jameshay.co.uk](http://www.jameshay.co.uk). Yes ☐ No ☐
6. Do you have income from other sources (outside of the money you intend to take from your pension) that is sufficient to currently provide you with your desired standard of living? Yes ☐ No ☐
7. Will the money you are taking from your pension fund be your sole or main source of income in retirement? Yes ☐ No ☐
8. Do you know that your drawdown income will be paid after deduction of income tax, and that it may affect your personal tax allowance? Yes ☐ No ☐
9. Are you aware that if you put the money you take out of your pension in a bank, or buy other investments with it, you may have to pay tax on any growth? Yes ☐ No ☐
10. Are you aware that once money has been taken out of your pension it becomes part of your estate for inheritance tax purposes? Yes ☐ No ☐
11. Do you receive any means tested benefits from the Government? Yes ☐ No ☐
12. Are you taking money out of your pension through flexi-access drawdown, and intending to pay more money into your pension in the future? Yes ☐ No ☐
13. Do you know that if you owe money to a creditor (e.g. via a personal loan) they cannot force you to take money out of your pension to pay off any money you owe to them? Yes ☐ No ☐
14. Fraudsters increasingly target people to move their pension fund, and also once they have taken money out of their pension. You need to be careful when deciding where to invest your pension fund, and what you do with any money taken from it, as you could lose some or all of your money if you are the victim of a scam. Please read the [FCA's Pension Scams leaflet](#) and visit their website at [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart). Are you aware that pension and investment scams exist and what to look out for? Yes ☐ No ☐
15. Are you aware that the amount of money you can take from your pension fund via income drawdown is not guaranteed and is based on a number of things? Yes ☐ No ☐

**B) If you wish to remain in capped drawdown, or you are already in flexi-access drawdown, please answer the following questions.**

- |  |                              |                             |
|--|------------------------------|-----------------------------|
| 1. Have you considered the state of your health and lifestyle when deciding the amount to take from your pension? For example if you are in good health, you need to consider that the income from your pension fund may need to support you for many years to come.   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 2. If you have a spouse, civil partner or dependants, have you considered how your pension fund could be used to provide for them after your death?  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 3. Over time the effect of inflation means you can purchase less in the future than you can today with the same amount of money. Have you considered the effect of inflation on any money you take out of your pension?  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 4. Do you have other income sources (outside of the money you intend to take from your pension fund) that are sufficient to currently provide you with your desired standard of living?  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 5. Will the money you are taking from your pension fund be your sole or main source of wealth in retirement?   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 6. Do you know that your drawdown income will be paid after deduction of income tax, and that it may affect your personal tax allowance (the amount you can receive each year before paying income tax)?   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 7. Are you aware that if you put the money you take out of your pension in a bank, or buy other investments with it, you may have to pay tax on any growth?  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 8. Are you aware that once money has been taken out of your pension it becomes part of your estate for inheritance tax purposes?   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 9. Do you receive any means tested benefits from the Government?   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 10. Are you taking money out of your pension through flexi-access drawdown, and intending to pay more money into your pension in the future?   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 11. Do you know that if you owe money to a creditor (e.g. via a personal loan) they cannot force you to take money out of your pension to pay off any money you owe to them?   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 12. Fraudsters increasingly target people to move their pension fund, and also once they have taken money out of their pension. You need to be careful when deciding where to invest your pension fund, and what you do with any money taken from it, as you could lose some or all of your money if you are the victim of a scam. Please read the <a href="#">FCA's Pension Scams leaflet</a> and visit their website at <a href="http://www.fca.org.uk/scamsmart">www.fca.org.uk/scamsmart</a> . Are you aware that pension and investment scams exist and what to look out for? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 13. Are you aware that the amount of money you can take from your pension fund via income drawdown is not guaranteed and is based on a number of things?   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

**IMPORTANT:** Making decisions about your pension based on short term events, such as the Covid-19 pandemic, can have long term consequences for your financial wellbeing and retirement.

There are additional risks related to accessing your pension at this time. Below is a summary of some of the things you need to consider before accessing your pension savings.

Please read the information below, and confirm in Section 6 that you have considered and accept the additional risks.

<b>Are you accessing your pension to prevent further investment losses from market volatility due to Covid-19?</b>	<p>You will receive only the current value of your pension investments (which might have fallen recently), and this may be subject to further taxes, charges or deductions. Locking in this loss now means you might miss out on any future increases in value if markets recover, and could reduce how much money is available to generate the income you may need in later life.</p> <p>Before making any major decisions about your pension, you should take the time to get independent guidance or financial advice.</p>
<b>Did you know that you may be entitled to employment guidance and financial support, available from the government, if you are experiencing financial distress due to the impact of Covid-19?</b>	<p>The support available in these circumstances covers guidance on your rights to sick pay, and what benefits you can claim if you are self-employed or not entitled to sick pay. You can find this information on the <a href="#">MoneyHelper website</a>. There is also a <a href="#">Debt Advice locator tool</a> to help you find where you can go for appropriate debt advice.</p>
<b>Do you have access to other savings or income sources that you could access instead to avoid incurring any tax liabilities?</b>	<p>If you have other sources of finance, depending on what these are, there may be fewer long-term risks if you access those first.</p>
<b>Do you plan to make contributions to your SIPP, or any other pension, in the future?</b>	<p>If you flexibly access your pension now (as an Uncrystallised Funds Pension Lump Sum or through flexi-access drawdown), but you intend to save more into a pension in future, then you will continue to receive tax relief on contributions paid in up to age 75, but this will be capped to a maximum of £10,000 per year (known as the Money Purchase Annual Allowance).</p>
<b>Do you intend to access more than 25% of your pension pot?</b>	<p>You can normally take up to 25% of your pension pot tax-free. Depending on how you withdraw funds from your pension, the rest will normally be subject to income tax, and withdrawing large sums could move you to a higher income tax band.</p> <p>Taking the whole pot as cash will also result in a large tax bill, so you should always seek independent tax advice before taking any action.</p>
<b>Are you withdrawing money with the intention of investing in something that is being promoted as a special offer, pressuring you to act quickly, or is offering unusually high rates of return?</b>	<p>In times of crisis, pensions can become a target for illegal activities, scams or inappropriate investments. Scams take many forms and often appear to be legitimate investment opportunities.</p> <p>Regulators recommend four simple steps customers can take to protect themselves from pension scams:</p> <ol style="list-style-type: none"> <li>1. Reject all unexpected pension offers, whether made online, through social media or over the phone.</li> <li>2. Check who you are dealing with before changing your pension arrangements. You can check the <a href="#">FCA Register</a> or call the FCA helpline on <b>0800 111 6768</b> to see if the provider you are dealing with is authorised by the FCA. You should avoid dealing with unauthorised providers.</li> <li>3. Don't be rushed or pressured into making any decisions about your pension.</li> <li>4. Consider getting impartial information and financial advice before taking any action.</li> </ol>

Please note that you must answer every question in this section before we can proceed with your request.

i. Have you taken advice from a regulated financial adviser in relation to taking money from your pension fund? Yes ☐ No ☐

ii. Have you received guidance from Pension Wise in relation to this request to take money from your pension fund? Yes ☐ No ☐

If **No**, we strongly suggest that before proceeding you seek appropriate advice from a regulated financial adviser and/or guidance from Pension Wise to understand your options at retirement. This may be appropriate even if you have received advice or guidance in respect of a previous withdrawal.

iii. Would you like us to arrange a Pension Wise appointment for you? Yes ☐ No ☐

If **Yes**, please confirm your phone number and the best time to contact you, within business hours (8.30am to 5.30pm):

Phone number

Availability

If you are due to attend a Pension Wise appointment, or if you have answered Yes above and we have not been able to contact you, please note that we will not continue to process your request until you have confirmed that you have received this guidance.

iv. Do you wish to proceed without guidance from Pension Wise? Yes ☐ No ☐

v. Has James Hay Partnership provided you with clear and adequate information on how to find a financial adviser if you so wish? Yes ☐ No ☐

### 3 Personal details

Applicant to complete

Member name  SIPP or Wrap number

Permanent  
residential  
address

Postcode

### 4 Income payment and plan closure

Applicant to complete

I wish to close the above plan, selling all of my remaining holdings to cash and receiving the balance as a single income payment.

Please select only **one** of the following statements:

I accept that the income payment I am requesting will convert my SIPP from capped to flexi-access drawdown, and I understand the impact of this election on my ability to contribute to pension arrangements in the future ☐

I have already accessed my pension(s) through flexi-access drawdown ☐

I confirm that the payment to be made as a result of this request does not exceed the current maximum income and my SIPP will therefore remain in capped drawdown ☐

Any required changes to existing pension payments must be received by James Hay at least **10 business days before** your income is due to be paid, to enable the change to be effected by the next payment date.

#### Your disinvestments for income

- We will only instruct the sale of your investments once the risk warning period ends (if applicable), unless a separate 'Instruction to Trade Form' is provided.
- As we are reliant upon third parties, we are not able to guarantee that any disinvestments will be processed in time for the next income payment.
- If you are a co-trustee of your SIPP, you may need to sign other forms to instruct any disinvestments.

Please provide the bank account details to which you would like the payment to be made.

Please tick one box:

Please use my existing bank details previously supplied to you (if you have previously taken any payments)

☐

Please use the bank details shown in this section.

☐

You will need to check with your bank/building society that Faster Payments and/or CHAPS payments can be accepted into this account and that these details are all they need for this.

**UK bank account details:**

Account holder name	<input type="text"/>									
Sort code	<input type="text"/>	<input type="text"/>	<input type="text"/>	Account number	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Building society reference number (if applicable)	<input type="text"/>									
Bank name and address	<input type="text"/>									
	<input type="text"/>									
	<input type="text"/>									
	Postcode									

**Foreign bank account details:**

IBAN/Account number	<input type="text"/>									
Payee	<input type="text"/>									
Bank name and address	<input type="text"/>									
	<input type="text"/>									
	<input type="text"/>									
	Postcode									
Intermediary bank/Swift code	<input type="text"/>				Swift code	<input type="text"/>				
Beneficiary bank code	<input type="text"/>				Routing number (if USA)	<input type="text"/>				
Currency	<input type="text"/>									

**PLEASE NOTE:** We are only able to hold one set of bank details to which payments will be made.

I request that all holdings within the above plan are sold and paid to me as an income payment, and my plan will then be closed.

I acknowledge and agree that if this request results in my SIPP to flexi-access drawdown, this election cannot be reversed at a later date, and I must notify any other providers with whom I have a pension.

I acknowledge and agree that if I have more than one SIPP converting with James Hay that is in capped drawdown, and this SIPP converts to flexi-access drawdown as a result of this request, then this election will convert all of these SIPPs to flexi-access drawdown.

I accept that as soon as I take any income from my SIPP once in flexi-access drawdown (if applicable), I will be subject to the money purchase annual allowance rules, as determined by HM Revenue & Customs rules and guidance.

I acknowledge and agree that James Hay Partnership does not accept responsibility for any charge or penalty in respect of disinvestments from a third party for income payments.

I confirm that I have read the Covid-19 additional risks and considerations on page 4.

**Please note that this form must be signed by the member.**

Member signature

Date

D	D	M	M	Y	Y	Y	Y
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## Notes

### Income tax

Please note that all pension payments are liable to deduction of tax at source under PAYE using the tax code number supplied to us by HMRC. Where a tax code number has not been issued, we are required to use the emergency tax code specified by HMRC.

If you believe the code number that we will apply to your pension income is incorrect, you should contact HMRC to arrange for a revised code number to be issued.

We are able to provide literature in alternative formats. For a Braille, large print, audio or E-text version of this document call us on 03455 212 414 (or via the Typetalk service on 18001 03455 212 414).

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[www.jameshay.co.uk](http://www.jameshay.co.uk)