

Pension Sharing Orders

For members and their spouses or civil partners

(For IPS SIPP only)

FEATURES

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A: Important Information

For both parties

- In order to proceed with a pension sharing order, we require the Decree Absolute and the Pension Sharing Annex, together with the sealed Consent Order before any action is taken. We prefer to review a draft of the Pension Sharing Annex. Following this review we will confirm if we can comply with the requirements.
- We have four months to organise the transfer of the pension funds (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 and the completed Pension Credit Transfer Request Form.
- On receipt of the Court documents, we 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 tenth working day after our acknowledgment letter unless both parties agree to a different date.
- We would expect to be advised within five working days if another date is to be considered. Please bear in mind that we will be charging for the time spent on arranging the Pension Credit as allowed for under the legislation.

100% Pension Credit Order

- 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 ten working days of the month end as the payroll details will have already been sent to the bank for processing.
- 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

We require disinvestment instructions as soon as possible to ensure the payment of the Pension Credit be made promptly. Please note that disinvestment instructions must be received on the appropriate proforma. Please call our helpline number, 0845 850 4455, if in any doubt. In any event we require the disinvestment instructions to be within ten business days of us receiving your ex-spouse's Pension Credit Transfer Request Form. (Please see the third bullet point above).

The amount of the Pension Credit is fixed at the valuation date and, subject to funds being available, will not change.

- Thought should also be given to any funds that may incur a surrender penalty or early redemption charge. Please note that James Hay Partnership does not accept responsibility for any charge or penalty in respect of disinvestments from a third party.
- If we have not received any instructions to arrange 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.

A: Important Information cont.

For the member's spouse/civil partner

- We 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 completed Pension Credit Transfer Request Form.
- We will send you a reminder if you have not provided this information 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 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 last day of each month. With regard 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 last day of the month before the transfer is made to ensure 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 is required, either way.
- 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 surrendering 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, the co-operation of the other part owners may be required in any buy-out to provide the necessary liquidity for the Pension Credit.
- The default position is that the property may have to be sold, against the wishes of the other part owners, on the open market.

James Hay Partnership pension sharing charges - General

- The Court Order will direct us as to who should pay any fees incurred in connection with the matrimonial proceedings and under direction from HM Revenue and Customs; these must be paid by the relevant pension fund. In the case of 100% orders, some of the fees may need to be paid from outside the fund. Charges are payable at the time of transfer.
- Where a commercial property is held as an asset of the plan, any valuation fees that are due are paid initially from the member's trustee bank account.

B: Statutory Information

Plan details

The IPS SIPP is a Self Invested Personal Pension (SIPP) that has been set up under trust and approved as a Registered Pension Scheme by HM Revenue & Customs. The HMRC Pension Scheme Tax Reference is 00605813RN.

The IPS Partnership Plc is the provider of the above plan and has appointed PAL Trustees Ltd as Trustee of the Scheme and The IPS Partnership Plc to administer the Scheme.

The IPS SIPP is written under trust and PAL Trustees Ltd acts as the scheme trustee whilst the member of the plan acts as the member trustee.

- It is the responsibility of the member trustee to sign any investment instructions prior to the scheme trustee. This gives the member as co-trustee, co-ownership and joint control of their SIPP investments.

If the SIPP member has not taken 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 is entitled to:

- Open a separate SIPP with James Hay Partnership if required (standard James Hay Partnership 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 us, the benefits available are detailed in our Technical Product Guide. A copy can be obtained from the James Hay Partnership website, www.jameshay.co.uk, or a copy is available 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.

Transfer out of Pension Credit

- Upon receipt of the Pension Credit Transfer Request Form completed by the ex-spouse/civil partner and the receiving scheme, we will transfer the funds representing the Pension Credit.

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.

James Hay Partnership 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.
- A schedule of charges is enclosed. Please note that there are no charges for providing this type of information.

C: 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, The IPS Partnership Plc will make the following charges:

Hourly charge	£150.00 plus VAT
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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 for all parties, please contact us if you have questions about any aspect of the pension sharing order with which we are dealing.

Notes

The IPS Partnership Plc 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.

The IPS Partnership Plc estimates that the setting up of a Pension Credit will take five 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 protracted.

Important Information: This factsheet is issued by us for use in connection with products provided by James Hay Partnership. James Hay Partnership does not accept any liability if the information provided in this document is used for any other purpose. This factsheet is based on our understanding of current UK legislation and HMRC practice at the date this document was produced. The tax treatment depends on the individual circumstances and may be subject to change in the future.

James Hay Partnership 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.

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