

James Hay iSIPP Charges Schedule

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This document sets out James Hay Partnership's charges for establishing and administering a James Hay iSIPP. It also provides you with a guide to all day-to-day transaction costs applied by James Hay Partnership, and answers some frequently asked questions about our charges.

There is a glossary and explanation of terms on page 9 to help you understand the terminology used. This is a legally binding document between you and James Hay Partnership and section 1 of this Charges Schedule forms part of your James Hay iSIPP Terms and Conditions. You should read this document carefully. If you do not understand any point, please contact your Financial Adviser. You should also read:

Key Features of the James Hay iSIPP

James Hay iSIPP Permitted Investments List

James Hay iSIPP Terms and Conditions

James Hay iSIPP Application Form

iSIPP Technical Product Guide

We expect that our charges should remain exempt from Value Added Tax (VAT), as the James Hay iSIPP product provider is a Jersey based insurance company. However, we reserve the right to charge you VAT in addition to our charges where VAT is applicable.

If you use the services of a third party such as an Investment Manager or Execution Only Stockbroker, additional charges may apply to your James Hay iSIPP and VAT may be payable on services provided by these third parties. For details on third party charges please refer to the Frequently Asked Questions About Charges section on page 6 of this Charges Schedule.

Section 1

CHARGES

Initial charges

Type of charge	When is the charge taken?	Amount
Establishment charge (via online application process)	N/A	Nil
Establishment charge (for applications made using the Application Form received at James Hay Partnership in paper format)	On receipt of new money	£100

Annual charges

Type of charge	When is the charge taken?	Amount
Annual administration charge (for a Minimum Balance of £180,000 invested and maintained in Qualifying Investments)*	N/A	Nil
Annual administration charge	Annually in advance	£180

* See glossary on page 9 for an explanation of these terms.

Transfers in

Type of charge	When is the charge taken?	Amount
Cash transfer in (per transfer)	On completion of the transaction	£50
In-specie transfer in (per transfer)	On completion of the transaction	£50

Contributions

Type of charge	When is the charge taken?	Amount
Single ad-hoc contributions (per contribution)	On completion of the transaction	£50
Regular contributions (set up by direct debit)	On completion of the transaction	£50
Contribution direct debit collection	N/A	Nil
Regular contribution direct debit amendment	On completion of the transaction	£25

Investments

Type of charge	When is the charge taken?	Amount
Setting up a fixed term deposit with one of the providers on our Cash Panel	On completion of the transaction	£15
Setting up an Investment Manager Account	On completion of the transaction	£100
Setting up a model portfolio on the Managed Portfolio Panel	N/A	Nil
Setting up and administering a Selftrade Account	N/A	Nil
Investment Manager Account annual charge	Annually in advance	£150
Annual Investment Centre platform charge* First £500,000 On next £500,000 Over £1 million	Monthly in arrears Monthly in arrears Monthly in arrears	0.18% 0.15% 0.05%
Investment Centre transactions - buy, sell or switch	On completion of the transaction	Online: Nil Paper: £20 (Per instruction)

* Percentage taken is based on the value of Investment Centre funds held on or around the first day of the month. This is also applicable to funds held within the Managed Portfolio Panel.

Benefits and payments/withdrawals

Type of charge	When is the charge taken?	Amount
Income Drawdown set up (per payment of PCLS)*	On completion of the transaction	£100
Annual Income Drawdown charge (once benefits are crystallised as flexi-access or capped drawdown - even if nil income taken)	Annually in advance	£150 p.a.
Review of income limits on capped drawdown	On completion of the review	£100
Uncrystallised funds pension lump sum payment	On completion of the transaction	£100
Death benefits	We will not normally charge for processing death benefits, however, in exceptional circumstances we may charge on a time/cost basis. Please see the 'Additional work' section below.	

* This includes where we are setting up income following receipt of a transfer in drawdown where no further PCLS is payable.

Other administration charges

Type of charge	When is the charge taken?	Amount
Late income payment administration charge	When late income payment is made	£30
Failed payment administration charge (any other payments, charges, etc.)	When we are unable to take due (or overdue) charges, expenses, etc.	£30
Overdue costs - letter charge	On issue of letter	£10

Transfers out

Type of charge	When is the charge taken?	Amount
Arranging transfer out/annuity purchase	On completion of the transaction	£150
Overseas transfer	On completion of the transaction	£400

Post-closure charges

Type of charge	When is the charge taken?	Amount
Administration charge (on any cash payments received after your James Hay iSIPP is closed (for example, dividends))	On completion of the transaction	Equal to the value of the cash received up to a maximum of £50 per payment received*

* Any balance will be forwarded to you on completion of the transaction.

OTHER IMPORTANT CHARGES

Additional work

The above charges indicate the standard investments and work involved in administering your James Hay iSIPP. However, if we need to perform additional administration over and above that which is deemed reasonable, we will charge an hourly rate of £150 per hour minimum, relevant to staff seniority and expertise.

Regulatory/industry levies

In the event of a levy being imposed on us under the Financial Services Compensation Scheme or any other levy or taxation being imposed on us or your James Hay iSIPP affecting our business, we may recover from your James Hay iSIPP an amount equal to the proportion of such levy or taxation. In the event that we do this, we will give you 30 days' notice of the amount that is due from your James Hay iSIPP.

Increases to charges

If charges are payable annually, we reserve the right to increase these charges with effect from 6 April each year in line with the rise in the Average Weekly Earnings (AWE) index (or any successor/equivalent index in the event that the AWE Index ceases to exist) for the previous calendar year without giving prior notice to you. We will however, give you 30 days' notice if we amend or increase any annual charges by an amount exceeding the percentage increase in Average Weekly Earnings, or if we amend or increase any other charge.

Section 2

EXAMPLES

Below are examples of the typical charges we would take from the James Hay iSIPP in different scenarios:

Example scenario 1

Getting started

A Financial Adviser recommends a James Hay iSIPP for a client. The client has two pension funds with other providers which will be transferred as cash with a total value of £150,000.

The Financial Adviser's Account Executive team at James Hay Partnership will facilitate the transfers, request pension discharge forms from the current provider and, once received, request the required transfers. The Account Executive team will also establish the James Hay iSIPP, perform the necessary checks and set up the SIPP Bank Account.

We tell the Financial Adviser when each pension fund has been transferred. Once the final transfer has arrived, the Financial Adviser implements the investment strategy he has agreed with the client, which is investing in a selection of Investment Centre funds.

What would be the costs for this?

Getting started

Establishment charge (via online application process)	Nil
Transfer in charges	£100
Annual administration charge (taken in advance)	£180
TOTAL	£280

Ongoing charges

Annual administration charge	£180
Annual Investment Centre platform charge (based on holdings valued at £150,000)	£270
TOTAL (per annum)	£450

Example scenario 2

Taking benefits through flexi-access drawdown

The member decides to start drawing regular benefits through flexi-access drawdown from his James Hay iSIPP.

The member decides to take his maximum allowed Pension Commencement Lump Sum (PCLS) along with an income, paid monthly. This is known as Income Drawdown. The Financial Adviser disinvests the existing Investment Centre investments to fund the PCLS and sets up a regular disinvestment to fund the income payments. If the member reduces his income to nil, the annual Income Drawdown charge will still apply.

What would the costs for this be?

Taking benefits

Income Drawdown set up	£100
Disinvestment dealing charges from Investment Centre funds	Nil
TOTAL	£100

New ongoing charges

Annual administration charge	£180
Annual Income Drawdown charge	£150
Regular disinvestments from Investment Centre funds	Nil
Annual Investment Centre platform charge (based on holdings valued at £112,500 after 25% PCLS)	£202.50
TOTAL (per annum)	£532.50

Example scenario 3

Qualifying for reduced annual administration charge

The member has £100,000 invested in a combination of the SIPP Bank Account and a fixed term deposit account with one of the providers on the Cash Panel, and £150,000 invested within the James Hay Investment Centre.

What would the costs for this be?

Ongoing charges

Annual administration charge (provided the Minimum Balance is maintained on an ongoing basis)	Nil
Annual Investment Centre platform charge	£270
TOTAL (per annum)	£270

Section 3

FREQUENTLY ASKED QUESTIONS ABOUT CHARGES

Pension administration

1. What do you charge for contributions?

We charge you £50 for any single ad-hoc contributions you make. You can set up regular contributions by direct debit. We will charge you £50 for establishing this arrangement,

but subsequent regular contributions under the arrangement will not be charged. A separate charge of £25 will apply for any changes you make to this arrangement.

Crystallisation and Income Drawdown

2. What do your charges for drawing an income cover?

We charge you an annual Income Drawdown charge which covers the administration of PAYE payroll, deduction of tax if required and making the appropriate returns to HM Revenue & Customs (HMRC). This charge also covers any work required to vary the level and frequency of income payments. The charge applies, even if at a later date you choose to take zero income.

3. What do your charges for taking an uncrystallised funds pension lump sum (UFPLS) cover?

We charge a one-off amount for each UFPLS that you take and this covers the payment of the tax-free element, deducting tax under PAYE on the balance and paying the net amount to you.

Investment related charges

4. What do you charge me for using the James Hay Investment Centre?

If you use the James Hay Investment Centre, including where funds are held via a model portfolio on the Managed Portfolio

Panel, we take a monthly charge from your SIPP Bank Account. This charge is based on a percentage of the value of the Investment Centre funds you hold.

5. Do your charges include the Investment Centre Fund Managers' charges?

No. If you invest in our Select and Collect fund ranges within the Investment Centre, including where funds are held in a model portfolio on the Managed Portfolio Panel, charges will be applied by the Investment Centre Fund Managers. Please refer to the Select and Collect funds literature at www.jameshay.co.uk for further details.

Some Investment Centre Fund Managers rebate back to us a proportion of the charge they take from you. Any such rebates will be used to purchase additional units/shares or in certain circumstances as permitted by regulation, may be allocated in cash to your SIPP Bank Account.

6. Do your charges include the Investment Managers' charges?

No. If you choose to use the services of an Investment Manager, they will apply charges for trading in stocks, shares and other investments and for holding cash on your behalf. Please refer to the Investment Manager's literature for further details. If the Investment Manager holds cash on behalf of your James Hay iSIPP, charges will be taken out of this cash, or charges will be settled from the cash held in your SIPP Bank Account.

The level of the charges of an Investment Manager and the reasonableness of them is a matter for you to determine with your Financial Adviser.

7. Do your charges include the Investment Managers' charges for investments held via the Managed Portfolio Panel?

No. If you choose to invest via the Managed Portfolio Panel, the Investment Manager will apply charges based on the value of the funds held in the individual portfolio. The charges will vary depending on the Investment Manager and the model portfolio that you choose to invest in.

The level of the charges of a model portfolio on the Managed Portfolio Panel and the reasonableness of them is a matter for you to determine with your Financial Adviser.

8. Do your charges include Selftrade's charges?

No. If you choose to use the services of Selftrade, they will apply charges for trading in stocks, shares and other investments. Please refer to Selftrade's Charges Schedule for further details. Charges will either be settled from any cash held by Selftrade, or cash held in your SIPP Bank Account.

The level of Selftrade's charges and the reasonableness of them is a matter for you to determine with your Financial Adviser.

General

9. How do your charges get paid?

We automatically deduct charges from your SIPP Bank Account, unless there is insufficient cash available. We do not send you invoices when charges becomes due. If any charge is due and there is insufficient cash available, at our discretion we will sell investments within your James Hay iSIPP to pay charges without further notice to you.

You can choose to pay our charges personally, rather than having them deducted from your SIPP Bank Account. We will decide the terms and methods of payment of any charges to be paid in this way. If you do not pay the charges due, you or your estate will be personally liable for the payment of the charges due.

We reserve the right to charge interest on late payment at 8% over base rate as determined by the Bank of England.

10. What rate of interest is paid on my SIPP Bank Account and do you retain an element of this?

Your SIPP Bank Account is a current account and should be used as such. However, you will receive interest on cash held in your SIPP Bank Account.

- a) When the Bank of England base rate is below 1% you will receive between £0 and £1 (depending on the total amount held) for each £1,000 held in your account throughout the year. For every 1% increase in the base rate above 1% you will receive an additional £10 for each £1,000 held in the account throughout the year.
- b) We currently receive between £8 and £12 for each £1,000 of cash held throughout the year in current accounts with the banks. This arrangement is based on the total funds held in client current accounts.

The difference between the amount received by us under (b) and the amount paid to you under (a) is used by us to offset the costs of running your James Hay iSIPP. This enables us to maintain lower annual administration charges as set out in this Charges Schedule.

11. What interest do I earn on my fixed term deposits with providers on your Cash Panel?

Indicative rates of interest for any term deposits that you place with a provider on our Cash Panel are shown on our website at www.jameshay.co.uk but the actual rate you receive will be the rate offered by the bank at the time they receive your application. We will receive between £2 and £2.50 for each £1,000 you place on deposit for a continuous period of a year, or a proportionate amount for shorter term deposits.

12. What annual administration charge will I pay?

If the total of your Qualifying Investments amounts to less than £180,000, you will pay the annual administration charge of £180. If the total of your Qualifying Investments amounts to more than £180,000 we will waive the annual administration charge of £180.

To continue to be eligible for the annual administration charge waiver, you need to ensure that the Minimum Balance of Qualifying Investments is maintained within your James Hay iSIPP. Factors such as product fees, charges, withdrawals from your James Hay iSIPP, changes to investments within your James Hay iSIPP, the cost of any pension benefits taken from your James Hay iSIPP, as well as fluctuation in the market value of Qualifying Investments, must all be taken into consideration by you to ensure the Minimum Balance is maintained.

If we have waived the annual administration charge and you transfer your James Hay iSIPP away from us within 12 months of opening your James Hay iSIPP, the annual administration charge of £180 will become payable.

13. What are Qualifying Investments?

Qualifying Investments include cash invested in your SIPP Bank Account, model portfolios held via the Managed Portfolio Panel, fixed term deposit accounts with one or more of the providers on the Cash Panel and investments within the Investment Centre.

14. How do you apply the annual administration charge waiver?

We will periodically review the balance of the Qualifying Investments in your James Hay iSIPP and automatically waive the annual administration charge if your James Hay iSIPP meets the Minimum Balance requirements.

15. What happens if I no longer meet the Minimum Balance requirements for the Qualifying Investments?

If the value of the Qualifying Investments in your James Hay iSIPP is below the Minimum Balance at the time of our periodic review, then the full annual administration charge will be payable at the next anniversary of the opening of your James Hay iSIPP.

16. If at a later date the value of my Qualifying Investments exceeds the Minimum Balance, will you waive the annual administration charge?

No, the annual administration charge will be payable for all subsequent years irrespective of any future balances of Qualifying Investments.

Glossary and explanation of terms

Capped Drawdown	A form of income drawdown where there is a maximum annual income limit calculated.
Crystallisation	The act of starting to take benefits (tax free lump sum and/or income) from your James Hay iSIPP.
Flexi-access Drawdown	A form of income drawdown available from 6 April 2015 where there is no limit on the amount of income you can take each year.
Income Drawdown	Crystallising benefits in order to draw a tax free lump sum and/or income. This covers both capped drawdown and flexi-access drawdown.
In-specie	The transfer of an asset other than cash from another pension scheme to your James Hay iSIPP, e.g. shares or holdings in investment funds.
Managed Portfolio Panel	A panel of Investment Managers who create defined collections of funds to achieve a predetermined investment strategy and reflect a certain risk profile. Portfolios with varying risk profiles are available, all of which are made up of funds in our Investment Centre fund range.
Minimum Balance	The minimum account balance of £180,000 of Qualifying Investments required in order to qualify for the annual administration charge waiver, calculated after deducting any charges, fees, withdrawals, the cost of any pension benefits and market movements on the investments held.
Pension Commencement Lump Sum (PCLS)	A tax free lump sum paid on commencement of income drawdown. It is usually 25% of the value of the benefit crystallisation event.
Qualifying Investments	Any combination of cash held in the SIPP Bank Account, model portfolios held via the Managed Portfolio Panel, balances in fixed term deposit accounts with one or more of the providers on the Cash Panel and investments within the Investment Centre.
Transfer in	Transferring the value of pension rights from an existing pension scheme to your James Hay iSIPP either in cash or in-specie.
Uncrystallised funds pension lump sum (UFPLS)	A lump sum made of a tax-free element (25%) and a taxable element (75%) that you can take from your pension fund provided you have not already crystallised those funds through income drawdown.

If you have any questions regarding the content of this document or if you require any of the documents shown on page 1, please visit www.jameshay.co.uk or call us on 03455 212 414.

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 03455 212 414. For the hard of hearing and / or speech impaired, please use the Typetalk service via 18001 03455 212 414.

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