

James Hay Partnership SIPP Charges Schedule

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This document sets out James Hay Partnership's charges for establishing and administering a James Hay Partnership SIPP (Partnership SIPP). 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 8 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 Partnership SIPP 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:

James Hay Partnership SIPP Key Features

James Hay Partnership SIPP Permitted Investments List

James Hay Partnership SIPP Terms and Conditions

James Hay Partnership SIPP Application Form

SIPP Technical Product Guide

We expect that our charges should remain exempt from Value Added Tax (VAT), as the James Hay Partnership SIPP 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 Partnership SIPP 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	Payable in advance	£495
Transfer in	N/A	Nil
Re-registration of investments	N/A	Nil
Purchase of investments	N/A	Nil

Annual charges

Type of charge	When is the charge taken?	Amount
Annual administration charge*	Payable in arrears	£445
Annual charge for Investment Manager and Execution Only Stockbroker accounts where the Investment Manager or Execution Only Stockbroker holds cash to settle transactions	N/A	Nil

* Increasing in line with Average Weekly Earnings and charged on a pro rata basis for transfers out.

Transfers in

Type of charge	When is the charge taken?	Amount
Cash transfer in (per transfer)	N/A	Nil
In specie transfer (per transfer)	N/A	Nil

Contributions

Type of charge	When is the charge taken?	Amount
Single contributions after set up	N/A	Nil
In-specie contribution	On completion of the transaction	£250

Commercial Property

Type of charge	When is the charge taken?	Amount
UK Purchase/transfer in (with panel solicitor)	On completion of the transaction	£600
UK Purchase/transfer in (without panel solicitor)	On completion of the transaction	£800
Purchase charge per additional member	On completion of the transaction	£100
VAT Initial registration	On completion of the transaction	£120
Mortgage arrangement charge	On completion of the transaction	£250
Annual property charge using CBRE (per lettable unit/property)	Annually in advance	£600

Commercial Property

Type of charge	When is the charge taken?	Amount
Annual property charge self-managed by member (per lettable unit/property). Please note: The property self-managed option is not available on Partnership SIPPs applied for on or after 5th December 2014	Annually in advance	£240*
Additional member annual charge (for each additional member)	Annually in advance	£100
Annual mortgage charge	Annually in advance	£150
Annual VAT charge (not when self-managed option is selected)	Annually in advance	£100
Sale or transfer out (with panel solicitor)	On completion of the transaction	£450
Sale or transfer out (without panel solicitor)	On completion of the transaction	£650
Buy out (Buy out with documentation changes)	On completion of the transaction	£450 (plus £150)
Purchase/sale cancellation fee	On cancellation	£300

* We reserve the right to insist on CBRE managing the property in certain circumstances.

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)	Shortly after issue of P60	£150
Uncrystallised funds pension lump sum payment	On completion of the transaction	£100
Review of income limits on capped drawdown	On completion of the review	£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 investments

Type of charge	When is the charge taken?	Amount
Processing investments/transactions	N/A	Nil
Dealing in unquoted shares	On completion of the transaction	£250
Connected party transaction	On completion of the transaction	£250
In-specie payments of PCLS or death benefits	On completion of the transaction	£250
Loans to unconnected parties	On completion of the transaction	£250
External bank account administration charge, excluding bank accounts with cash deposits held at a fixed interest rate for a fixed term	Annually in arrears	£50

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 Partnership SIPP 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 Partnership SIPP. 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 Partnership SIPP affecting our business, we may recover from your Partnership SIPP 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 Partnership SIPP.

Charge increases

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) 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 Partnership SIPP in different scenarios:

Example scenario 1

Getting started

A Financial Adviser recommends a James Hay Partnership SIPP for a client. The client has three pension funds with other providers, which will all be transferred as cash.

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 Partnership SIPP, perform the necessary checks and set up the SIPP Bank Account.

We tell the Financial Adviser when each fund has been transferred. Once the final transfer has arrived, the Financial Adviser implements the investment strategy he has agreed with the member.

What would the costs for this be?

Getting started

Establishment charge	£495
Transfer in charge	Nil
TOTAL	£495

Ongoing charges

Annual administration	£445
TOTAL (per annum)	£445

Example scenario 2

Taking benefits through flexi-access drawdown

The member decides to start drawing regular benefits through flexi-access drawdown from his Partnership SIPP.

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 and member decide to disinvest some units to fund the PCLS, and set 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	Nil
TOTAL	£100

New ongoing charges

Annual administration charge	£445
Annual Income Drawdown charge	£150
TOTAL (per annum)	£595

Example scenario 3

Purchasing a commercial property

The member decides to purchase a commercial property, as he feels a regular rental income better suits his investment strategy in this stage of his life. He uses one of our panel solicitors and CBRE manages the property.

The Financial Adviser disinvests the existing investments, and the proceeds are used to acquire the member's chosen property.

In addition to the Partnership SIPP charges, the member also expects to pay for a valuation as well as solicitor's charges and stamp duty (if applicable). These charges can all be settled from the Partnership SIPP. The property is not opted to tax for VAT.

The annual property charge covers various aspects of managing the property.

What would the costs for this be?

Acquiring the property

Disinvestment dealing charges	Nil
Purchase charge	£600
TOTAL	£600

New ongoing charges

Annual administration charge	£445
CBRE annual property charge	£600
TOTAL (per annum)	£1,045

Section 3

FREQUENTLY ASKED QUESTIONS ABOUT CHARGES

Pension administration

1. What do you charge for contributions?

We do not charge for any single cash contributions you make. You can set up regular contributions by direct debit. We do not charge you for establishing this arrangement, nor

for subsequent regular contributions. You can change this arrangement at any time without charge.

We charge £250 for each in-specie contribution you make.

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 still applies even if 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. 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 Partnership SIPP, 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.

General

5. 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 become due. If any charge is due and there is insufficient cash available, at our discretion, we will sell investments within your Partnership SIPP 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.

6. 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 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 Partnership SIPP. This enables us to maintain lower annual administration charges as set out in this Charges Schedule.

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

Indicative rates of interest for any term deposits that you place with a Cash Panel provider 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.

Glossary and explanation of terms

Capped Drawdown	A form of income drawdown where there is a maximum annual income limit calculated
Connected party transaction	The purchase of an asset from an individual where there may be a direct or indirect connection to the Partnership SIPP member.
Crystallisation	The act of starting to take benefits (tax free lump sum and/or income) from the Partnership SIPP.
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 this one, e.g. shares or holdings in investment funds.
Pension Commencement Lump Sum (PCLS)	A tax free lump sum payment paid on commencement of income drawdown, it is usually 25% of the value of the benefit crystallisation event.
Transfer in	Transferring the value of pension rights from an existing pension scheme to your Partnership SIPP 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.

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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