

IPS Family SIPP

Charges Schedule

This document sets out James Hay Partnership's charges for establishing and administering an IPS Family 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 IPS Family 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:

Key Features of the IPS Family SIPP

IPS Family SIPP Permitted Investments List

IPS Family SIPP Terms and Conditions

IPS Family SIPP Application Form

SIPP Technical Product Guide

Value Added Tax (VAT) is charged at the prevailing rate on all charges. James Hay issues a VAT invoice for each charge due and typically deducts the charge from the SIPP Bank Account within two weeks of issuing the invoice.

If you use the services of a third party, such as an Investment Manager or Stockbroker, additional charges may apply to your IPS Family SIPP and VAT may be payable on services provided by these third parties. For details on third party charges, please refer to Section 3.

Section 1

CHARGES

Our fixed charges for standard administration services are detailed below.

We may have to carry out administrative services which fall outside our standard charges due to their nature and complexity. Where this is the case, we apply a minimum hourly charge of £150 + VAT (standard rate, currently 20%), depending on staff seniority and expertise, but we will provide you with an estimate of the expected cost before carrying out any such work.

For examples of the type of activity we may charge for on a time/cost basis, please see Section 3.

Initial charges

Type of charge	When is the charge taken?	Amount
Scheme establishment charge	On set up of scheme	£500
Set up charge	On set up of individual member account	£495

Annual charges

Type of charge	When is the charge taken?	Amount
Annual administration charge	Annually in arrears	£600

Contributions

Type of charge	When is the charge taken?	Amount
Cash contribution	N/A	Nil

Transfers in

Type of charge	When is the charge taken?	Amount
Cash transfer in	N/A	Nil
In-specie transfer in	On completion of the transaction	Time/cost (typically £150)

Investments

Type of charge	When is the charge taken?	Amount
Processing conventional investments (buy, sell or switch)	N/A	Nil
Processing connected party transactions (excluding commercial property)	On completion of the transaction	£250
Investment Manager/Stockbroker account annual charge	Annually in advance	£150

Unless stated otherwise, the standard rate of VAT is payable on our charges.

All annual charges increase on the 1st April each year in line with the Average Weekly Earnings Index.

Specialist Investments (excluding gold)

Type of charge	When is the charge taken?	Amount
Specialist Investments annual charge	Annually in advance	£300
Unquoted shares	On completion of the transaction	£100 (per transaction)
Unconnected loans	On completion of the transaction	£100 (per transaction)
Any other specialist investment	N/A	Nil

Commercial Property ¹

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	£1,100
Purchase charge per additional member	On completion of the transaction	£100
Mortgage arrangement charge	On completion of the transaction	£250
Annual property charge self managed by member	Annually in advance	£525 (first lettable unit/ lease in each property) £450 (each additional lettable unit/lease)
Additional member annual charge (for each additional member)	Annually in advance	£100
Annual mortgage charge	Annually in advance	£150
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	£800
Buy-out (Buy-out with documentation changes)	On completion of the transaction	£450 (+ £150)
Purchase/sale cancellation fee	On cancellation	£300
Review of lease renewal/new lease/deeds/licences to occupy, assign, alter or sub-let (where prepared by non panel solicitor)	On completion of the review	£200
Property development charge	On completion of the development	0.5% of cost of works (charge capped at £2,000)
Pre-funding expenses charge	At the point funding is provided	£50
Penalty for failing to provide property related documentation	Quarterly in arrears	£75 ²

¹ The option to purchase a property through your SIPP and self manage it is only available in certain circumstances. Please see the Commercial Property Purchase Guide available on our website at www.jameshay.co.uk for further details. If there are multiple SIPP owners the commercial property charges will be split in proportion to each member's SIPP interest in the property.

² This charge is payable if documentation has been outstanding for more than 90 days from the date the request was made.

Unless stated otherwise, the standard rate of VAT is payable on our charges.

All annual charges increase on the 1st April each year in line with the Average Weekly Earnings Index.

Administration

Type of charge	When is the charge taken?	Amount
Same day CHAPS payment	On completion of the transaction	£15
Lifetime allowance charges/refunds of overpaid contributions/unauthorised payment charges, surcharges, scheme sanction charges	On completion of the event	Time/cost (typically £150)
Additional trustee	On completion of the event	£100
Divorce	On completion of the event	Time/cost (typically £400)
External bank account annual administration charge (excluding bank accounts with cash deposits held at a fixed rate for a fixed term)	Annually in arrears	£50 per account
Additional SIPP paper statements	On issue of the statement	Time/cost (typically £150)
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

Benefits and payments

Type of charge	When is the charge taken?	Amount
Income Drawdown calculation (per tranche)	On completion of the transaction	£100
Annual Income Drawdown charge (once benefits are crystallised as flexi-access or capped drawdown - except where nil income taken) or Scheme Pension ³	Annually in arrears	£150
Income drawdown review (capped drawdown)	On completion of the review	£150
Scheme Pension calculation	On completion of the transaction	£400 ³
Uncrystallised funds pension lump sum payment	On completion of the transaction	£100
In-specie payments	On completion of the transaction	£250
Scheme Pension review	On completion of the review	£400 ³
Arranging annuity purchase	On completion of the transaction	£100
Death benefits	On completion of the transaction	Time/cost (typically £350)

³ Scheme Pension is only available to IPS Family SIPP members who were receiving it before 31 October 2014.

Transfer out and closure charges

Type of charge	When is the charge taken?	Amount
Arranging transfer out	On completion of the transaction	£100 (per transfer)
Arranging overseas transfer out	On completion of the transaction	£400 (per transfer)
Account closure charge	When flexi-access drawdown or uncrystallised funds pension lump sum payments first reduce the value of your SIPP below £1,000	£100 ⁴
Administration charge (on any cash payments received after your IPS Family 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 + VAT per payment received ⁵

⁴ This charge will not be applied where the full value of the fund is being used to purchase an annuity or is being transferred to another pension scheme.

⁵ Any balance will be forwarded to you on completion of the transaction.

Unless stated otherwise, the standard rate of VAT is payable on our charges.

All annual charges increase on the 1st April each year in line with the Average Weekly Earnings Index.

OTHER IMPORTANT CHARGES

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 IPS Family SIPP affecting our business, we may recover from your IPS Family 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 IPS Family SIPP.

Annual charge increases

Annual charges increase with effect from 1 April each year in line with the rise in the Average Weekly Earnings (AWE) Index (or any equivalent index in the event that the AWE index ceases to exist). We will 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 IPS Family SIPP in different scenarios:

Example scenario 1

Getting started

A Financial Adviser recommends an IPS Family SIPP for a client and his family. The client has two pension funds with other providers which will be transferred as cash with a value of £150,000.

The Financial Adviser's Service Executive Team at James Hay Partnership will facilitate the transfer, request pension discharge forms from the current provider and, once received, request the required transfers. The Service Executive Team will also establish the IPS Family 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 client.

What would the costs be for this?

Getting started

Scheme establishment charge	£500
Set up charge	£495
Cash transfer in charge	Nil
TOTAL	£995 +VAT

Ongoing charges

Annual administration charge	£600
TOTAL (per annum)	£600 +VAT

Example scenario 2

Taking benefits through flexi-access drawdown

The member decides to start drawing regular benefits through flexi-access drawdown from his IPS Family 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 disinvests the existing 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 not apply.

What would the costs be for this?

Taking benefits

Income Drawdown calculation	£100
TOTAL	£100 +VAT

New ongoing charges

Annual administration charge	£600
Annual Income Drawdown charge	£150
TOTAL (per annum)	£750 +VAT

Section 3

FREQUENTLY ASKED QUESTIONS ABOUT CHARGES

Pension administration

1. What do the set up and annual administration charges cover?

The charges cover the provision of the following services as appropriate to your IPS Family SIPP:

- Preparing the Supplemental Deed and copies of Establishing Trust Deed and Rules
- Opening the SIPP Bank Account
- Providing and appointing the professional trustee
- Dealing with day to day correspondence
- Processing changes in HM Revenue & Customs (HMRC) practice e.g. revision of the Trust Deed or Rules where necessary
- Maintaining records including correspondence
- Providing annual statements in accordance with legislation
- Submitting periodic reporting to regulatory bodies including HMRC, The Pensions Regulator (TPR) and the Financial Conduct Authority (FCA)
- Processing contributions and transfers received in cash

- Processing conventional investments
- Reclaiming income tax from contributions and distributions on investments.

2. What does the annual property charge cover?

The charge covers the provision of the following services:

- Reviewing bank account transactions to ensure compliance with the regulations
- Necessary enquiries into the property to ensure that it can be held within a pension environment without incurring tax charges
- Periodic regulatory reporting
- Ad-hoc guidance on property issues and queries as far as they impact property such as works and insurance requirements
- Administering expenses, fees and third party invoices as well as allocating rental income.

For further information, please refer to the Commercial Property Purchase Guide, a copy of which is available on our website at www.jameshay.co.uk.

Crystallisation and Income Drawdown

3. 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 HMRC. This charge also covers any work required to vary the level and frequency of income payments. The charge applies, unless you are taking zero income.

4. 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.

Time/cost charges

5. What do your time/cost charges cover?

Examples of where we may charge additional fees in addition to those listed previously are where we:

- Engage in detailed correspondence with solicitors, accountants or advisers
- Execute complex or time consuming transactions
- Are required to repeatedly chase third parties for transfers or other items

- Prepare fund valuations when information is not provided by third parties on a timely basis
- Attend meetings with clients, solicitors, accountants or investors
- Administer multiple bank accounts
- Complete work in relation to aborted property transactions.

General

6. Do your charges include the Stockbroker's or Investment Manager's charges?

No. If you choose to use the services of a Stockbroker or 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 Stockbroker's/Investment Manager's literature for further details. If the Stockbroker/Investment Manager holds cash on behalf of your IPS Family 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 a Stockbroker/Investment Manager and the reasonableness of them is a matter for you to determine with your Financial Adviser.

7. How do your charges get paid?

We send you a VAT invoice when each charge becomes due and deduct the charge from your SIPP Bank Account, unless there is insufficient cash available. It is your responsibility to ensure that there is sufficient cash available in your SIPP Bank Account to cover adviser and product charges. If any charge is due and there is insufficient cash available, at our discretion, we will sell investments within your IPS Family SIPP to pay charges without further notice to you.

Please note that each member of the IPS Family SIPP is liable, individually and jointly with all of the other members, to pay the total of all charges due not just a proportionate part.

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.

For further information, please refer to section 15 of the SIPP Terms and Conditions.

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

Your SIPP Bank Account is provided for the receipt and payment of money for your IPS Family SIPP (for example,

receiving your contributions into your IPS Family SIPP, the payment of benefits out of your IPS Family SIPP and the purchase or sale of investments held within your IPS Family SIPP). The account is designed for holding cash for short periods of time while your investments are being made, or your benefits are being paid, rather than for holding cash over the long term.

The rate of interest we pay will change from time to time. The current interest rate you are receiving can be found on our website at www.jameshay.co.uk.

Banks pay us extra interest because of the total amount of client cash we hold with them. We will retain this extra interest as it helps us to keep down the other charges on your IPS Family SIPP.

9. What interest do you retain if I invest in other external bank accounts?

We will receive between £0 and £1 for each £1,000 you place on deposit for a continuous period of a year, or a proportionate amount for shorter term deposits, for any account opened with a bank where we have negotiated a preferential interest rate for you.

10. What is the account closure charge?

The account closure charge covers the costs of closing your SIPP if it is not closed through purchasing an annuity or transferring out. It is taken when flexi-access drawdown or uncrystallised funds pension lump sum payments first reduce the value of your SIPP below £1,000. Although the charge is taken at this point, we will not actively close your SIPP except in certain circumstances. Please see section 16 of the SIPP Terms and Conditions for further information.

If this charge is applied, it may make sense for you to ask us to close your SIPP and pay you any balance remaining once outstanding fees have been covered, as the costs of administering your plan would rapidly act to erode the remaining funds.

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 IPS Family 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 your IPS Family SIPP e.g. shares or holdings in investment funds.
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.
Transfer in	Transferring the value of pension rights from an existing pension scheme to your IPS Family SIPP either in cash or in-specie.
Uncrystallised Funds Pension Lump Sum (UFPLS)	A lump sum usually 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.

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

James Hay Partnership is the trading name of James Hay Insurance Company Limited (JHIC) (registered in Jersey number 77318); IPS Pensions Limited (IPS) (registered in England number 2601833); James Hay Administration Company Limited (JHAC) (registered in England number 4068398); James Hay Pension Trustees Limited (JHPT) (registered in England number 1435887); James Hay Wrap Managers Limited (JHWM) (registered in England number 4773695); James Hay Wrap Nominee Company Limited (JHWNC) (registered in England number 7259308); PAL Trustees Limited (PAL) (registered in England number 1666419); Santhouse Pensioner Trustee Company Limited (SPTCL) (registered in England number 1670940); Sarum Trustees Limited (SarumTL) (registered in England number 1003681); Sealgrove Trustees Limited (STL) (registered in England number 1444964); The IPS Partnership Plc (IPS Plc) (registered in England number 1458445); Union Pension Trustees Limited (UPT) (registered in England number 2634371) and Union Pensions Trustees (London) Limited (UPTL) (registered in England number 1739546). JHIC has its registered office at 3rd Floor, 37 Esplanade, St Helier, Jersey, JE2 3QA. IPS, JHAC, JHPT, JHWM, JHWNC, SPTCL, SarumTL and IPS Plc have their registered office at Trinity House, Buckingham Business Park, Anderson Road, Swavesey, Cambs CB24 4UQ. PAL, STL, UPT and UPTL have their registered office at Dunn's House, St Paul's Road, Salisbury, SP2 7BF. JHIC is regulated by the Jersey Financial Services Commission and JHAC, JHWM, IPS and IPS Plc are authorised and regulated by the Financial Conduct Authority. The provision of Small Self Administered Schemes (SSAS) and trustee and/or administration services for SSAS are not regulated by the FCA. Therefore, IPS and IPS Plc are not regulated by the FCA in relation to these schemes or services.(01/14)