

## James Hay Modular iSIPP (pre Modular iPlan)

# Charges Schedule

(For Modular iSIPPs applied for prior to March 2014)

**CLOSED  
TO NEW  
BUSINESS**

**CHARGES  
APPLICABLE  
FROM 31 MAY 2017**

**This document sets out James Hay Partnership's charges for setting up and administering a James Hay Modular 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 11 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 Modular 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:**

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Key Features of the James Hay Modular iSIPP

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Modular iSIPP Member Guide

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Modular iSIPP Permitted Investments List

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Modular iSIPP (pre Modular iPlan) Terms and Conditions

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Modular iSIPP Application Form

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SIPP Technical Product Guide

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Our charges are currently exempt from Value Added Tax (VAT) and we expect them to remain exempt in future. 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 Stockbroker, additional charges may apply to your Modular iSIPP 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

#### Initial charges

Type of charge	When is the charge taken?	Amount
Set up charge (for applications made using the Application Form received at James Hay Partnership in paper format)	On receipt of new money	£100

#### Core annual charges

Type of charge	When is the charge taken?	Amount
Annual administration charge (if Minimum Balance of £200,000 held in Qualifying Investments) <sup>1</sup>	N/A	Nil
Annual administration charge	Annually in advance	£175

<sup>1</sup> Please see glossary on page 11 for an explanation of these terms.

#### Module annual charges

Type of charge	When is the charge taken?	Amount
Whole of Market Module	Annually in advance	£100
Commercial Property Module	Annually in advance	£100
Specialist Investments Module	Annually in advance	£350

#### Contributions

Type of charge	When is the charge taken?	Amount
Single or regular cash contributions	N/A	Nil

## Transfers in

Type of charge	When is the charge taken?	Amount
Cash transfer in	N/A	Nil
In-specie transfer in (per transfer)	On completion of the transfer	£50 (max £200 p.a.)

## 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	N/A	Nil
Setting up a Panel Stockbroker/Investment Manager Account <sup>2</sup>	N/A	Nil
Panel Stockbroker/Investment Manager Account annual charge	Annually in advance	£20 (Per account)
Setting up a model portfolio on the Managed Portfolio Panel	N/A	Nil
Annual platform charge <sup>3</sup> First £300,000 On next £300,000 On next £400,000 On next £500,000 Over £1,500,000	Monthly in arrears Monthly in arrears Monthly in arrears Monthly in arrears Monthly in arrears	0.25% 0.20% 0.15% 0.05% 0.01%
Investment Centre transactions - buy, sell or switch	On completion of the transaction	Online: Nil Paper: (£20 Per instruction)

<sup>2</sup> For details of our Panel Stockbrokers/Investment Managers, please see our website at [www.jameshay.co.uk](http://www.jameshay.co.uk).

<sup>3</sup> The charge is calculated on or around the first day of each month and is based on a percentage of the combined value of Cash Panel deposits, cash held in your SIPP Bank Account (as well as any bank account held in relation to a property) and Investment Centre holdings (including Managed Portfolio Panel).

## Whole of Market

Type of charge	When is the charge taken?	Amount
External investments - buy, sell or switch (including setting up a regular disinvestment)	On completion of the transaction	Online: £20 Paper: £50 (Per investment provider)
Setting up an Off Panel Stockbroker/Investment Manager Account	On completion of the transaction	£100
Off Panel Stockbroker/Investment Manager Account annual charge	Annually in advance	£70 (Per account)

## Commercial Property

Type of charge	When is the charge taken?	Amount
UK purchase or transfer in (with panel solicitor)	On completion of the transaction	£600
UK purchase or transfer in (without panel solicitor)	On completion of the transaction	£1,100
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	£950 (first lettable unit/lease in each property) £550 (each additional lettable unit/lease in each property)
Annual property charge self managed by member (per lettable unit/property) <sup>4</sup>	Annually in advance	£525 (first lettable unit/lease in each property) £450 (each additional lettable unit/lease in each property)
Additional member annual charge (for each additional member)	Annually in advance	£100
Annual mortgage charge	Annually in advance	£150
Annual VAT charge (including self managed option)	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	£800
Buy out (Buy out with documentation changes)	On completion of the transaction	£450 (plus £150)
Purchase or 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) per development
Pre-funding expenses charge	At the point funding is provided	£50
Penalty for failing to provide property related documentation (applicable to self managed property only) <sup>5</sup>	Quarterly in arrears	£75

<sup>4</sup> The option to self manage a property is only available in certain circumstances. Please see the Commercial Property Purchase Guide for your product (available at [www.jameshay.co.uk](http://www.jameshay.co.uk)) for further details. We reserve the right to insist on CBRE managing the property in certain circumstances.

<sup>5</sup> This charge is payable if documentation has been outstanding for more than 90 days from the date the request was made.

## Specialist Investments <sup>6</sup>

Type of charge	When is the charge taken?	Amount
Non Mainstream Pooled Investments (NMPIs) including Qualified Investor Schemes	On completion of the transaction	£100 per trade
Unquoted shares	On completion of the transaction	£100 per trade
Lending to unconnected third party	On completion of the transaction	£100 per event
Any other specialist investment	On completion of the transaction	£100 per trade

<sup>6</sup> No new purchases of Specialist Investments are allowed. If your product is already invested in a Specialist Investment we will allow additional investment in these existing holdings (known as top ups). Therefore, the above charges will apply to top ups and any sales.

## Benefits and payments/withdrawals

Type of charge	When is the charge taken?	Amount
Income drawdown set up (per payment of PCLS) <sup>7,8</sup>	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) <sup>8</sup>	Annually in advance	£150
Review of income limits on capped drawdown <sup>8</sup>	On completion of the review	£150
Uncrystallised funds pension lump sum payment	On completion of the transaction	£100
Arranging annuity purchase	On completion of the transaction	£150
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 'Additional work' section below.	

<sup>7</sup> This includes where we are setting up income following receipt of a transfer in drawdown where no further PCLS is payable.

<sup>8</sup> All benefit charges (except the uncrystallised funds pension lump sum payment charge) are subject to an annual maximum of £350 per annum based on the first tranche benefit year.

## Other administration charges

Type of charge	When is the charge taken?	Amount
Ad-hoc paper valuation	On issue	£50
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 and closure

Type of charge	When is the charge taken?	Amount
Arranging transfer out	On completion of the transaction	£150
Arranging overseas transfer out	On completion of the transaction	£400
Account closure charge <sup>9</sup>	When flexi-access drawdown or uncrystallised funds pension lump sum payments first reduce the value of your SIPP below £1,000	£100
Administration charge (on any cash payments received after your Modular iSIPP is closed (for example, dividends)) <sup>10</sup>	On completion of the transaction	Equal to the value of the cash received up to a maximum of £50 per payment received

<sup>9</sup> 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.

<sup>10</sup> 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 with administering your Modular 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 levy or taxation being imposed on us or your Modular iSIPP affecting our business, we may recover from your Modular 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 Modular iSIPP.

### Annual charge increases

With effect from 6 April 2018, annual charges will increase from 6 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) without giving prior notice to you. 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.

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## Section 2

### EXAMPLES

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

#### Example scenario 1

#### Getting started

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

The Financial Adviser's Service 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 Service Executive Team will also set up the Modular iSIPP, perform the necessary checks and set up the SIPP Bank Account.

We tell the Financial Adviser when each fund has been transferred, and 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 the costs be for this?

#### Getting started

Set up charge (via paper application process)	£100
Transfer in charges	Nil
Annual administration charge (taken in advance)	£175
<b>TOTAL</b>	<b>£275</b>

#### Ongoing charges

Annual administration charge	£175
Annual platform charge (based on holdings valued at £150,000)	£375
<b>TOTAL (per annum)</b>	<b>£550</b>

## Example scenario 2

### Taking benefits through flexi-access drawdown

The member decides to start drawing regular benefits through flexi-access drawdown from his Modular 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 be for this?

#### Taking benefits

Income Drawdown set up	£100
Disinvestment dealing charges from Investment Centre funds	Nil
<b>TOTAL</b>	<b>£100</b>

#### New ongoing charges

Annual administration charge	£175
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)	£281.25
<b>TOTAL (per annum)</b>	<b>£606.25</b>

## Frequently asked questions about charges

### CRYSTALLISATION AND INCOME DRAWDOWN

#### 1. 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 you are taking zero income.

#### 2. 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.

#### 3. What happens if there is insufficient money in my SIPP Bank Account when you come to pay my income?

In the event that there is insufficient money to make an income payment when it is due, we will continue to try and make the payment up until the cut-off date for the next month. If we are subsequently able to make a late income payment, you will be charged a £30 administration charge. In the event that we are not able to make this payment by the cut-off date for the next month, the income payment will be cancelled from our systems. Payroll cut-off dates can be found on our website at [www.jameshay.co.uk](http://www.jameshay.co.uk).

## INVESTMENT RELATED CHARGES

### 4. What is the annual platform charge?

The annual platform charge is based on a percentage of the combined value of the Investment Centre funds you hold (including where funds are held via a model portfolio on the Managed Portfolio Panel), Cash Panel deposits and cash held in your SIPP Bank Account (as well as any bank account held in relation to a property).

The charge is deducted from the SIPP Bank Account on a monthly basis.

### 5. Do your charges include 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](http://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 Stockbroker's or Investment Managers' 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 Modular 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 a Stockbroker/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. How do you charge for additional modules?

The first year's module annual charges will be based on the type of investments you have selected in the Application Form. Each module annual charge thereafter will be based on the types of investments held shortly before the anniversary of your Modular iSIPP each year.

### 9. Are there any additional charges for reviewing and checking specialist investments?

Depending on the type of specialist investment, we may need to employ the services of other firms such as a solicitor. Any costs of such third party firms in either reviewing and checking the investment or preparing the documentation to purchase the investment, will be paid from your Modular iSIPP.

## GENERAL

### 10. 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. 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 Modular 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.

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

### 11. 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 Modular iSIPP (for example, receiving your contributions into your Modular iSIPP, the payment of benefits out of your Modular iSIPP and the purchase or sale of investments held within your Modular iSIPP). 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](http://www.jameshay.co.uk).

Banks pay us extra interest because of the total amount of money we hold with them. We will retain this extra interest as it helps us to keep down the other charges on your Modular iSIPP.

### 12. 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](http://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.

### 13. What annual administration charge will I pay?

If the total of your Qualifying Investments amounts to less than £200,000, you will pay the core annual administration charge of £175 if you only use the Core iSIPP. You will pay additional module charges depending on which, if any, additional modules you select to use. If the total of your Qualifying Investments amounts to £200,000 or more, we will waive the core annual administration charge (but any additional module charges will still apply). To continue to be eligible for the core annual administration charge waiver, you need to ensure that the Minimum Balance of Qualifying Investments is maintained within your Modular iSIPP. Factors such as product fees, charges, withdrawals from the Modular iSIPP, changes to investments within your Modular iSIPP, the cost of any pension benefits taken from your Modular 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.

### 14. What are Qualifying Investments?

Qualifying Investments include cash invested in your SIPP Bank Account (as well as any accounts held in relation to a property), 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.

### 15. How do you apply the core annual administration charge waiver?

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

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

If the value of the Qualifying Investment in your Modular iSIPP is below the Minimum Balance at the time of our periodic review, then the full core annual administration charge of £175 will be payable at the next anniversary of the opening of your Modular iSIPP.

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

Yes, if your Qualifying Investments have risen above the Minimum Balance at the time of the periodic review, we will waive the core annual administration charge for the following year.

**18. What is the account closure charge?**

The account closure charge covers the costs of closing your Modular iSIPP 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 Modular iSIPP below £1,000. Although the charge is taken at this point, we will not actively close your Modular iSIPP 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 Modular iSIPP 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

<b>Capped Drawdown</b>	A form of income drawdown where there is a maximum annual income limit calculated.
<b>Crystallisation</b>	The act of starting to take benefits (tax free lump sum and/or income) from your Modular iSIPP.
<b>Flexi-access Drawdown</b>	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.
<b>Income Drawdown</b>	Crystallising benefits in order to draw a tax free lump sum and/or income. This covers both capped drawdown and flexi-access drawdown.
<b>In-specie</b>	The transfer of an asset other than cash from another pension scheme to your Modular iSIPP e.g. shares or holdings in investment funds.
<b>Managed Portfolio Panel</b>	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.
<b>Minimum Balance</b>	The minimum account balance of £200,000 of Qualifying Investments required in order to qualify for the core annual administration charge waiver, calculated after deducting any charges, fees, withdrawals, the cost of any pension benefits and market movements on the investments held.
<b>Pension Commencement Lump Sum (PCLS)</b>	A tax free lump sum paid on commencement of income drawdown. It is usually 25% of the value of the benefit crystallisation event.
<b>Qualifying Investments</b>	Any combination of cash held in your SIPP Bank Account (as well as any accounts held in relation to a property), model portfolios held via the Managed Portfolio Panel, balances on fixed term deposit accounts with one or more of the providers on the Cash Panel and investments within the Investment Centre.
<b>Transfer in</b>	Transferring the value of pension rights from an existing pension scheme to your Modular iSIPP either in cash or in-specie.
<b>Uncrystallised Funds Pension Lump Sum (UFPLS)</b>	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](http://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)