
Sippchoice Bespoke SIPP

Key Features Document (from 25 May 2018)

The Financial Conduct Authority is a financial services regulator. It requires us, Dentons Pension Management Limited, to give you this important information to help you to decide whether our Sippchoice Bespoke SIPP is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

A. Aims, Commitments and Risks

Its Aims

- To enable you to save in a tax-efficient way for your retirement.
- To allow you to invest your pension savings in a wide range of investments.
- To give you control over investment decisions (subject to Dentons' conditions).
- To provide a tax-free lump sum and an income at any time from age 55.

Your Commitment

- You must ensure that you read this document and understand how the SIPP works and meets your requirements.
- You must make an initial contribution or a transfer payment of any amount from another registered pension scheme.
- You must decide how your fund is to be invested and whether to delegate this task to a fund manager.
- You must tell us about your circumstances when you apply and any changes afterwards.
- You must regularly review your contributions, investment strategy and any benefits you are taking.
- You should take financial advice where appropriate.

Risk Factors

- The value of your fund is not guaranteed and may go down as well as up.
- Past performance is not an indication of future returns.
- The investment of your fund is entirely for you to decide, although you may delegate this task to a fund manager.
- Your fund, and the benefits that it can provide, will depend on how your chosen investments perform, the charges both under the SIPP and those that relate to the investments you have chosen.
- If you buy an annuity (i.e. an income for the rest of your life) with your fund then the amount will depend on annuity rates available at the relevant time.
- Some investments, such as property, may take longer to sell than others. You should take this into account when making investments, reviewing your fund or planning to take benefits.
- Inflation could reduce the real value of your fund.
- If you take income drawdown from your fund at a higher rate than your fund is growing then the overall value of your fund will reduce.
- If you transfer funds from another registered pension scheme then there is no guarantee that what you get back from the SIPP will be higher and you may be giving up certain rights in the other pension scheme that you will not have under the SIPP.
- The tax rules affecting contributions to, and benefits from, the SIPP may be changed by the Government at any time.
- If, having considered these risks, you have any concerns about the suitability of the SIPP for you then you should take financial advice.

B. Questions and Answers

1. Introduction

1.1 What is the Sippchoice Bespoke SIPP?

The Sippchoice Bespoke SIPP ('the SIPP') is a registered personal pension scheme that allows you to make investment decisions in respect of your own fund subject to the provisions of Section 4 below. Your fund can be used to provide a tax-free lump sum and an income at any time from age 55.

1.2 Who runs the SIPP?

Dentons Pension Management Limited ('Dentons') is the Provider and Scheme Administrator of the SIPP and is authorised and regulated by the Financial Conduct Authority under reference 461094. The SIPP's investments are held by Sippchoice Trustees Limited ("Sippchoice"), which is the trustee of the SIPP.

1.3 Who can join the SIPP?

Anyone can join the SIPP. You do not need to be employed or have taxable earnings. If you are under the age of 16 then your parent or guardian can apply for a SIPP for you.

1.4 What are the SIPP's charges?

Details of the SIPP's charges are set out in the Fees Schedule on the Literature page of our website at www.sippchoice.co.uk. These charges are reviewed annually with effect from 6 April.

In addition, we will pay to your financial adviser the charges you have notified to us from your SIPP's bank account (conditions apply to such payments). Furthermore, there may be charges made from your SIPP's investments.

1.5 Is the SIPP a stakeholder pension?

No. The SIPP is not a stakeholder pension and, therefore, is not subject to terms and maximum charges imposed by the Government. You should consider whether a stakeholder pension might meet your needs at least as well as the SIPP.

1.6 Can the SIPP accept transfers in respect of contracted-out rights?

Yes. The SIPP can accept transfers from other registered pension schemes that include previously protected rights or other contracted-out rights.

2. Contributions

2.1 Who can contribute to the SIPP?

There are no restrictions on who can contribute to the SIPP. However, tax relief is available on personal contributions only if you satisfy the following conditions:

- you are resident for tax purposes in the UK
- you have 'relevant UK earnings'
- you are under age 75; and
- you have been tax resident in the UK at some time during the previous five tax years (or you, or your spouse or civil partner, have earnings from overseas Crown employment subject to UK tax).

Notes:

1. Contributions paid on your behalf by other individuals (but not your employer) are treated for tax purposes as if you had made the contributions. Therefore, you will qualify for tax relief on those contributions as if you had paid them personally; the person who actually paid the contributions will be treated as having made a gift to you and will not be eligible for tax relief on the contributions.
2. If you have elected enhanced protection, fixed protection, fixed protection 2014 or fixed protection 2016 then this will be lost if you or your employer pay any contributions to the SIPP or to any other registered pension schemes for you.

2.2 How can I contribute to my SIPP?

You can make contributions to your SIPP on a regular basis or you can make one-off contributions from time to time. Furthermore, contributions can be made at any time. There is no minimum requirement on the contributions that can be made to your SIPP.

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2.3 How much can I contribute to my SIPP?

There is no limit on the contributions that can be made to your SIPP by you or by anyone else on your behalf but there are restrictions on the amount of tax relief available - see 2.4.

2.4 How much tax relief is available on pension contributions?

There are three separate, but inter-related, rules on pensions tax relief, as follows.

- (1) If you are under 75 then tax relief is available in each tax year on your personal pension contributions up to 100% of your 'relevant UK earnings', or on contributions of up to £3,600 if your earnings are less than this. There is no limit to the amount of tax relief available in this way but see (3) below.
- (2) Your employer's pension contributions will normally be allowable for corporation tax relief as long as the employer's Inspector of Taxes is satisfied that they are 'wholly and exclusively' for the purposes of its trade. Again, there is no limit to the amount of tax relief available in this way but see (3) below.
- (3) If the total of any contributions paid by you and your employer in any tax year exceed the Annual Allowance for that year then the excess will be subject to the Annual Allowance Charge, i.e. it will be added to your income for tax purposes and taxed accordingly.

Note: The test against the Annual Allowance does not apply to contributions made in the tax year in which the individual dies or retires because of serious ill-health.

All contributions, except employer contributions, paid to your SIPP will be treated as paid net of basic rate income tax. Provided you are under the age of 75 at the time the contribution was paid we will reclaim this tax from HMRC (this can take up to 11 weeks) and then add it to your pension fund. If you are a higher-rate taxpayer then you can also claim higher-rate tax relief on your personal contributions through your tax return (as long as you were under the age of 75 at the time the contribution was paid). Employer pension contributions are paid gross.

2.5 How much is the Annual Allowance?

The Annual Allowance for the tax year from 6 April 2018 to 5 April 2019 is £40,000. However, this will normally be reduced on a tapered basis for high earners, i.e. those individuals whose 'adjusted income' in the tax year exceeds £150,000. For those individuals affected, the Annual Allowance will be reduced by £1 for every £2 that the 'adjusted income' exceeds £150,000, up to a maximum reduction of £30,000.

'Adjusted income' means the individual's income from employment (adding back any employer pension contributions) and self-employment plus investment income. Any salary sacrifice arrangements set up on or after 9 July 2015 will be added back to income for the purpose of the £150,000 income test.

As an exception to this rule, the Annual Allowance will not be reduced for high earners whose 'adjusted income' before adding back any employer pension contributions (known as their 'threshold income') is £110,000 or less. This allows for individuals who would not usually be affected by the reduced Annual Allowance but receive a one off increase in their employer pension contributions in a tax year that takes their 'adjusted income' above £150,000.

The Annual Allowance can be increased under the 'carry forward' option - see 2.6.

Note: The Annual Allowance is reduced to £4,000 for individuals who have taken any income under flexi-access drawdown - see 5.6

2.6 What is the 'carry forward' option?

Individuals can carry forward any unused Annual Allowance from the previous three tax years as long as they have been a member of a registered pension scheme at some time during the tax year for which contributions are being carried forward (regardless of whether they actually made any contributions during that year).

For the 2018/19 tax year carry forward will be available against an Annual Allowance of £40,000 for the 2015/16 tax year and £40,000 reduced on a tapered basis for high earners, as set out in 2.5 above, for the 2016/17 and 2017/18 tax years. There is a strict order in which an individual can use up their Annual Allowance - the Annual Allowance in the current tax year is used up first, followed by the unused Annual Allowances for the three earlier years, using the earliest year first.

Notes:

1. Contributions relating to the carry forward facility can be paid to any registered pension scheme by the individual and/or the individual's employer and will be subject to the usual rules on pensions tax relief - see 2.4.
2. The carry forward facility is not available if the Money Purchase Annual Allowance applies

2.7 How is pension relief payable if I am a Scottish taxpayer?

- *Basic rate (for both Scottish taxpayers and taxpayers elsewhere in the UK)*

We will continue to claim tax relief at the basic rate of 20%.

- *Scottish starter rate*

If you live in Scotland and you pay the Scottish starter rate of Income Tax at 19%, we will still claim tax relief at 20% and HMRC won't ask you to repay the difference. So you don't need to take any action or pay anything back to HMRC relating to pension tax relief.

- *Scottish intermediate rate*

If you live in Scotland and you pay the Scottish intermediate rate of Income Tax at 21%, we will claim tax relief at 20%.

As you're entitled to an additional 1% of tax relief on your pension contributions, you'll be able to claim this from HMRC. HMRC won't pay this into your SIPP but will adjust your tax code so that you get this tax relief through your pay. You can claim this by contacting HMRC if you don't already complete Self Assessment returns, or through your Self Assessment tax return if you do.

- *Higher or top rate (for both Scottish taxpayers and taxpayers elsewhere in the UK)*

If you pay higher or top rate of Income Tax, you can continue to claim this additional tax relief from HMRC as you do now in your Self Assessment tax return or by contacting HMRC. You can do this whether you live in Scotland or elsewhere in the UK.

3. Transfers

3.1 Can I transfer benefits to my SIPP from another pension arrangement?

Yes. Your SIPP can normally accept transfers from other registered pension schemes.

If any part of a transfer relates to income drawdown then it will be invested together with your other SIPP assets as a single fund.

It may be possible for your SIPP to accept an in-specie transfer of assets, rather than a cash payment. Dentons will need to be notified of the assets to be transferred in order to let you know if your SIPP can accept those assets.

3.2 What are the risks of arranging a transfer to my SIPP?

When considering a transfer to your SIPP from another registered pension scheme you should consider, inter alia, the benefits that you would be giving up and also the costs and charges that you may incur as a result of the transfer. We strongly advise you to take financial advice before arranging any such transfer.

Also, you should be aware that if you make a transfer payment from another registered pension scheme to your SIPP then your pension fund may be out of your preferred investment market for a period of time while the transfer is being effected. You will bear the risk of market movements during this period.

3.3 Can I transfer to another scheme?

Yes, it will normally be possible to arrange a transfer from your SIPP to another registered pension scheme, in which case your SIPP's assets will usually be sold and the net proceeds, after all charges, transferred to the receiving scheme - please note that if some of the assets are illiquid then it may be difficult to sell them and this will delay the transfer. As per transfers into your SIPP, it may be possible for the transfer from your SIPP to be an in-specie transfer of assets as opposed to a cash payment.

If you request a transfer from your SIPP to another registered pension scheme then Dentons will deal with this as soon as is reasonably practicable. However, if the transfer is in cash then Dentons will not be liable for any loss relating to the period between the date that the transfer request is received and the date that the transfer to the other pension scheme is completed.

4. Investments

4.1 What happens to contributions and transfers to my SIPP?

A separate bank account will be set up with Cater Allen Private Bank (or any other bank that Sippchoice may specify for this purpose) for your SIPP. Sippchoice will be the sole signatory to this account.

All contributions and transfer payments to your SIPP will be paid into your SIPP's bank account and will then be invested in accordance with your instructions (or those of your fund manager).

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Details of the interest currently credited to your SIPP's bank account, and of any commission that the bank may pay us on the balance in the account, are shown in the Interest Rates Guide on the Literature page of our website.

This account is intended to be the central transaction account for your SIPP, i.e. all transactions must go via this account, and, whilst it may be a convenient account for holding cash, it is not intended as an investment for your SIPP. There is no requirement for a cash balance to be maintained in this account and cash can be transferred to another deposit account of your choice - there is a small charge for opening/closing such an account.

4.2 What investments can I make in my SIPP?

There are no HMRC restrictions on the investments that can be made in a SIPP and your SIPP can invest in a wide range of investments. However, Dentons reserves the right to decide on which investments can be held in your SIPP and not to proceed with investments that do not satisfy its due diligence procedures or any other requirements that it may specify. Furthermore, Dentons and Sippchoice will not accept any responsibility for the performance or liquidity of any investments that it does allow to be held in your SIPP.

The following investments can normally be held in your SIPP:

Standard investments

Standard investments are listed below subject to the investment being capable of being accurately and fairly valued on an ongoing basis, readily realised whenever required (up to a maximum of 30 days), and for an amount that can be reconciled with the previous valuation:

- cash, cash funds and deposits
- exchange traded commodities
- government & local authority bonds and other fixed interest stocks
- investment notes (structured products)
- shares in investment trusts
- managed pension funds
- National Savings and Investment products
- permanent interest bearing shares (PIBs)
- physical gold bullion
- real estate investment trusts (REITs)
- securities admitted to trading on a regulated venue, i.e. an exchange (e.g. a stock exchange or trading venue, such as a multilateral trading facility) that is authorised by a financial regulator or government agency; it is not restricted to the EEA
- UK commercial property (except where (i) the property transfer cannot be registered at the Land Registry or (ii) it would take more than 30 days to transfer the property)
- units in regulated collective investment schemes.

Non-standard investments

Non-standard investments are investments that are not covered by the definition of 'standard investments' and the following non-standard investments can be held in your SIPP subject to Dentons' agreement following completion of the due diligence procedures set out below:

- unquoted UK companies
- unregulated collective investment schemes (UCIS)
- loans to unconnected UK companies
- UK commercial properties that are not standard investments.

Due diligence on non-standard investments

In order to satisfy its regulatory responsibilities, Dentons will carry out due diligence on non-standard investments before making a decision on whether they can be held in your SIPP and also check that you are fully aware of the risks involved and any potential difficulties in selling these investments. In compliance with FCA requirements, Dentons' due diligence procedures for non-standard investments cover, inter alia, the following five key areas:

- correctly establishing and understanding the nature of an investment
- ensuring that an investment is genuine and not a scam, or linked to fraudulent activity, money-laundering or pensions liberation
- ensuring that an investment is safe/secure (meaning that custody of assets is through a reputable arrangement, and any contractual agreements are correctly drawn-up and legally enforceable)
- ensuring that an investment can be independently valued, both at point of purchase and subsequently, and
- ensuring that an investment is not impaired (for example, that previous investors have received income if expected, or that any investment providers are creditworthy, etc.).

4.3 What investments cannot be made in my SIPP?

Dentons will not normally allow the following investments to be made in your SIPP because they will be treated as unauthorised payments and be subject to high tax charges:

- direct or indirect investment in 'taxable property' (see below)
- loans to members and/or connected persons (but loans to third parties may be permitted if they meet specified conditions)
- any investment that is made in order to facilitate early access to your pension fund ('pensions liberation') or any direct or indirect payments or benefits to you and/or connected persons.

'Taxable property' is:

- residential property, including residential ground rents; or
- tangible moveable property (i.e. anything that you can touch and can be moved, e.g. antiques, boats, cars, jewellery, wine and works of art, etc.).

Furthermore, the following investments cannot normally be held in your SIPP:

- carbon credits
- contracts for difference or spread betting
- currency trading accounts
- direct investment in tangible moveable property
- intellectual property and copyrights
- land banking
- life settlement funds
- litigation funding
- loans that are made to acquire residential property or any other 'taxable property'
- overseas property/land of any type
- peer-to-peer lending
- seed capital
- traded endowment policies
- unquoted overseas companies.

4.4 Can I make my own investment decisions?

Yes. You can manage your SIPP investments personally by using an investment dealing account with a UK stockbroker or fund supermarket, etc., that is authorised and regulated by the FCA and is restricted to standard investments. We will open the account for your SIPP and authorise you to operate the account directly.

4.5 Can I appoint a fund manager to manage my pension fund?

Yes. Your SIPP investments can be managed (on a discretionary or advisory basis) by a fund manager of your choice who is authorised and regulated by the FCA. We will open the account for your SIPP and authorise the fund manager to accept investment instructions directly from you. The account will normally be restricted to standard investments but non-standard investments can be held subject our agreement in each case.

4.6 Can my SIPP borrow?

Yes. Your SIPP can borrow for investment purposes and it can charge its assets as security for any such borrowing. The maximum amount that it can borrow is 50% of your fund's net assets (after deducting any existing borrowings).

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4.7 Can my SIPP transact with me/connected parties?

Yes. Your SIPP can enter into investment transactions with you and other connected parties, although it cannot make loans to members and/or connected parties. Any such transactions must take place on an arm's length basis and must be on commercial terms.

4.8 What is the tax status of my SIPP's investments?

Yes. Your SIPP's investments will normally be free from UK income and capital gains taxes, although tax cannot be reclaimed on UK dividends.

4.9 In whose names are my SIPP's investments held?

If your SIPP's investments are managed by a third party, e.g. a fund manager, then they will normally make arrangements for the registration and custody of the investments and for receiving any dividends and other investment income.

In all other cases, your SIPP's investments will normally be registered in the name of Sippchoice Trustees Limited, as trustee of the SIPP, and will be held solely for the benefit of your SIPP.

4.10 What else should I be aware of?

The value of investments made in your SIPP, and any income from them, may go down as well as up.

It is important to consider, inter alia, the following factors when considering the suitability of a proposed investment in your SIPP:

- is the proposed investment actually available to a SIPP?
- are you aware of the risk factors associated with the investment?
- are there any restrictions on selling the investment, e.g. minimum investment term, which could affect the ability to encash the investment in order to:
 - switch investments
 - take income and/or lump sum benefits
 - allow benefits to be paid to your beneficiaries in the event of your death?
- are there any circumstances in which your SIPP could be asked to inject more funds into the investment, e.g. as a further call, in which case are you satisfied that those funds will be available when required and are you aware of the consequences if those funds are not available?
- is the investment likely to give rise to any taxation?

If you are unsure about any of these points, or whether a particular investment is suitable for your SIPP, then you should take financial advice.

5. Benefits

5.1 What benefits are available from my SIPP?

You can take benefits from some, or all, of your SIPP fund at any time from the age of 55 (or earlier in cases of serious ill-health or if you have a protected pension age). If you do this then you will be able to use your SIPP to provide benefits in one, or a combination, of the following ways:

- a lifetime annuity, in which case the amount of the annuity will depend on your age, state of health, fund value, annuity rates and the benefit options you choose
- capped drawdown (see 5.5)
- flexi-access drawdown (see 5.6).

5.2 What is the Lifetime Allowance and how does it affect me?

If the amount of your SIPP fund that is used to provide benefits, i.e. the amount 'crystallised', exceeds the Lifetime Allowance, which is £1,030,000 for the 2018/19 tax year (but may be higher if you have elected 'primary protection', 'fixed protection', 'fixed protection 2014', 'individual protection 2014', 'fixed protection 2016' or 'individual protection 2016') then you will have to pay tax on the excess, as follows.

If the excess is taken as a lump sum

The excess will be subject to a one-off 55% tax charge.

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If the excess is not taken as a lump sum

The excess will be subject to a one-off 25% tax charge. The remainder of the excess will remain in the SIPP and be used to provide taxable income.

A second test will be made against the Lifetime Allowance at age 75. If the value of your drawdown SIPP fund at that time exceeds the amount that was put into drawdown by more than your unused Lifetime Allowance then the excess will be subject to a one-off 25% tax charge.

If some or all of your SIPP is not in drawdown by age 75 then at that age the relevant portion of your SIPP fund will be tested against the Lifetime Allowance and the excess will be subject to a one-off 25% tax charge (and there will be no subsequent second test against the Lifetime Allowance).

Note: These tests do not apply to individuals with enhanced protection or to drawdown funds that relate to income payments that commenced before 6 April 2006.

5.3 How much tax-free cash can I take from my SIPP?

When you crystallise your SIPP fund under capped drawdown (see 5.5) or flexi-access drawdown (see 5.6) you will normally be able to take a tax-free lump sum of up to 25% of the amount crystallised, subject to a maximum of 25% of the Lifetime Allowance. You may be able to take a larger tax-free lump sum if you have 'enhanced' or 'primary' protection.

5.4 What is 'phased drawdown' and how does it work?

You can crystallise all, or just part, of your SIPP fund, which allows flexibility as to how and when you can take benefits. If you crystallise only part of your SIPP fund then your SIPP fund will be notionally split into two distinct components:

- the 'crystallised' part; and
- the 'uncrystallised' part.

5.5 How does 'capped drawdown' work?

Note: Capped drawdown is only available if it was in place before 6 April 2015

The maximum income that you can withdraw under 'capped drawdown' is 150% of the annuity that your crystallised SIPP fund can provide based on annuity rates published by the Government Actuary's Department. This will have been calculated when you commenced drawdown and it will usually be recalculated every three years thereafter until you attain age 75, when it must be recalculated annually. If you are under age 75 then you can ask us to recalculate your maximum income on any anniversary of your drawdown date, in which case the new figure will apply for three years from that date, unless you again request an earlier recalculation.

You can vary the amount of income that you take each year as long as it does not exceed the maximum income. There is no minimum income that you must take, so you do not have to draw any income. However, it is not possible to carry forward any undrawn amounts to another drawdown year.

You can choose the frequency of regular income payments - monthly, quarterly, half-yearly or annually - and you can vary the amount of regular income that you require at any time. Also, you can request a one-off income payment at any time.

All income payments will be subject to income tax that will be deducted under PAYE and will be held in Sippchoice's tax account until it is remitted to HMRC.

All income payments will be made from your SIPP bank account and it is your responsibility to ensure that there are sufficient funds in that account to cover the gross income payments required. If there are insufficient funds in the account to make a required payment in full then it will not be possible to make the income payment.

Notes:

1. *If capped drawdown was in place before 6 April 2015 then any uncrystallised funds can also be put into capped drawdown after that date.*
2. *Members in capped drawdown can continue to pay contributions, or have employer contributions paid for them, subject to the normal provisions relating to contributions, including the carry forward facility, set out in Section 2.*
3. *If you are in capped drawdown then you can switch at any time to flexi-access drawdown. If you wish to withdraw more income than is permitted under capped drawdown. But if you do this then the restrictions on contributions under flexi-access drawdown will apply.*

5.6 How does 'flexi-access drawdown' work?

Flexi-access drawdown is available to anyone who has attained age 55 (or earlier in cases of serious ill-health or if you have a protected pension age).

Under flexi-access drawdown you can take the tax-free lump sum set out in 5.3 and you can then withdraw one-off income payments of any amount whenever you wish, or regular income payments, subject to income tax under PAYE.

You can choose the frequency of regular income payments - monthly, quarterly, half-yearly or annually - and you can vary the amount of regular income that you require at any time. Also, you can request a one-off income payment at any time.

All income payments will be subject to income tax that will be deducted under PAYE and will be held in Sippchoice's tax account until it is remitted to HMRC.

All income payments will be made from your SIPP bank account and it is your responsibility to ensure that there are sufficient funds in that account to cover the amount of income payments required, including any income tax due on those payments. If there are insufficient funds in the account to make a required payment in full then it will not be possible to make the income payment.

If you have taken any income under flexi-access drawdown then pension contributions of up to £4,000 pa (the 'Money Purchase Annual Allowance') can be paid by, or for, you to your SIPP (and to any other defined contribution schemes) in any tax year without being subject to the Annual Allowance Charge (see 2.4). Contributions in excess of this will be subject to the Annual Allowance Charge. Also, the carry forward facility described in 2.6 is not available if you have taken any income under flexi-access drawdown.

5.7 How risky is it to take an income from my SIPP?

Taking an income from your SIPP may reduce the value of your SIPP, especially if investment returns are poor and a high level of income is taken. This may result in lower maximum income in the future than would otherwise be the case.

We strongly recommend that you take financial advice if you are considering taking income from your SIPP.

6. Death

6.1 What benefits are payable from my SIPP if I die before my 75th birthday?

If you die before your 75th birthday then your SIPP fund can be paid out as a lump sum and it will not normally be subject to inheritance tax, or any other tax - but may be subject to the Lifetime Allowance Charge (see below) - as long as it is made within two years of the date when we first knew of your death (or, if earlier, the date when we could reasonably have been expected to know of your death).

Alternatively, your SIPP fund can be transferred to a beneficiary's flexi-access drawdown arrangement and used to provide an income to your dependants, or to individuals who you have nominated, who can withdraw one-off or regular payments of any amount whenever they wish tax-free, although there may be a Lifetime Allowance Charge in these circumstances (see below). On your beneficiary's death the same options will apply to any remaining balance in their drawdown fund as applied on your death (and the tax status will depend on the beneficiary's age at death).

If:

- your SIPP fund has not been 'crystallised', i.e. it has not been used to provide benefits; and
- the total value of the death benefits payable from all registered pension schemes exceeds the Lifetime Allowance, which is £1,030,000 for the 2018/19 tax year (but may be higher if you have elected 'enhanced protection', 'primary protection', 'fixed protection', 'fixed protection 2014', 'individual protection 2014', 'fixed protection 2016' or 'individual protection 2016')

then the excess will normally be subject to a Lifetime Allowance tax charge. If the death benefit is paid as a lump sum then the tax charge will be 55% and it will be the responsibility of your beneficiaries to check whether a Lifetime Allowance Charge is payable and to pay it where it is due. If the death benefit is paid as a beneficiary's flexi-access drawdown arrangement then the tax charge will be 25%.

6.2 What benefits are payable from my SIPP if I die on or after my 75th birthday?

If you die on or after your 75th birthday then your SIPP fund can be paid out as a lump sum subject to the recipient's marginal rate of income tax if the recipient is an individual (or 45% in all other cases, including payments to a trust).

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Alternatively, your SIPP fund can be transferred to a beneficiary's flexi-access drawdown arrangement and used to provide an income to your dependants or to individuals who you have nominated, who can withdraw one-off or regular payments of any amount whenever they wish, subject to income tax under PAYE. On your beneficiary's death the same options will apply to any remaining balance in their drawdown fund as applied on your death (and the tax status will depend on the beneficiary's age at death).

6.3 Can any death benefits be paid to a charity?

A tax-free lump sum can be paid to a charity on the death of a member, or a member's beneficiary, subject to the following conditions:

Death of the member

- (a) there are no dependants of the member;
- (b) it is paid to a charity nominated by the member.

Death of a beneficiary

- (a) there are no dependants of the member
- (b) the beneficiary is in drawdown following the member's death
- (c) it is paid to a charity nominated by the member or, if the member made no nomination, by the deceased beneficiary.

6.4 Who can receive any death benefit?

You can nominate the individuals, trusts and/or charities, who you would like to receive any death benefit and Dentons will take your nomination into consideration when deciding who will receive the death benefit.

Death benefits can be paid as a lump sum to your beneficiaries. As an alternative to a lump sum, benefits can be paid as income under a beneficiary's flexi-access drawdown arrangement, as per 6.1 and 6.2 above, to:

- (a) a dependant (i.e. your spouse or civil partner, your child under age 23, anyone who is dependent on you due to mental or physical impairment and anyone (except a child over 23) who is financially dependent on you or with whom you are financially mutually dependent); or
- (b) an individual who is not a dependant but is nominated by you.

If you have not nominated anyone for this purpose and there is no surviving dependant on your death then the transfer can be made to any individual chosen by Dentons.

7. Other Information

7.1 Contractual terms

This Key Features Document provides a brief overview of your SIPP and is based on Dentons' understanding of current law and practice.

The SIPP is governed by its Trust Deed and Rules and by its Terms and Conditions and these override this document. You can obtain a copy of these documents from your HFM Columbus adviser.

7.2 Cancellation

Once you have applied for a SIPP you have the right to change your mind. If you do so then you must notify Dentons within 30 days of receiving the cancellation notice that will be sent to you with your SIPP documents.

If you choose to cancel then we will refund payments to the person who made them. If payments have been invested and the value of the investments has fallen then the amount of the refund will be reduced by the amount of any investment loss and any charges or expenses and the administration costs of setting up your SIPP.

If you make a transfer to your SIPP and then cancel the SIPP then you will need to ensure that the transferring scheme will accept the transfer back. If it will not do this and you still want to cancel then you must arrange for another registered pension scheme to accept the payment.

7.3 Statements and valuations

We will send you a statement every 12 months to show you how your SIPP is doing. In addition, you can contact us at any time to request a valuation of your SIPP fund.

7.4 Complaints

If you wish to complain about your SIPP then you should write to us at the address shown in 7.7. If you are not satisfied with our response then you can refer your complaint to the appropriate ombudsman.

The Pensions Ombudsman, 11 Belgrave Road, London, SW1V 1RB

Tel: 020 7630 2200 Email: enquiries@pensions-ombudsman.org.uk www.pensions-ombudsman.org.uk

The Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR

Tel: 0800 023 4567 Email: complaint.info@financial-ombudsman.org.uk www.financial-ombudsman.org.uk

A reference to either Ombudsman will not affect your legal rights. You will be advised which is the appropriate body to refer your complaint to.

Dentons adheres to the General Data Protection Regulations (GDPR) that came into effect on 25 May 2018, which outlines how personal information is obtained from you and stored by Dentons to establish and administer your Plan. If at any point you believe information that we retain about you is incorrect, you can request to see this information and have it corrected and possibly deleted.

If you wish to raise a complaint on how we have handled your personal data, please contact our Compliance Officer as outlined above. If you are not satisfied with our response or believe we are not processing your data in accordance with the law you can complain to :

Information Commissioners Office www.ico.org.uk

7.5 The Financial Services Compensation Scheme

The Financial Services Compensation Scheme (FSCS) has been set up to provide compensation if firms are unable, or likely to be unable, to meet claims against them.

The amount of compensation available from the FSCS depends on the type of business and the circumstances of the claim. Further information is available from the FSCS website at www.fscs.org.uk.

7.6 Law

The SIPP is subject to English law and to the jurisdiction of Her Majesty's Courts of Justice of England and Wales. All communications in relation to the SIPP will be in English.

7.7 Contact us

For further information about the SIPP, please contact us at:

Sutton House, Weyside Park, Catteshall Lane, Godalming GU7 1XE

Tel: 01483 521 521 Fax: 01483 521 515 Email: info@dentonspensions.co.uk www.sippchoice.co.uk

The Sippchoice Bespoke SIPP has been registered with HM Revenue & Customs under the Pension Scheme Tax Reference 00738995RG. Dentons Pension Management Limited is the Provider and Scheme Administrator of the Sippchoice Bespoke SIPP and it is authorised and regulated by the Financial Conduct Authority under reference number 461094. Sippchoice Trustees Limited is the Trustee of the Sippchoice Bespoke SIPP.

Dentons Pension Management Limited Sutton House Weyside Park Catteshall Lane Godalming GU7 1XE
tel: 01483 521 521 **fax:** 01483 521 515 **email:** info@dentonspensions.co.uk **web:** www.sippchoice.co.uk
