

I.P.M. Personal Pension Scheme

Benefit Crystallisation Event Form



1. Personal Details

Mr <input type="checkbox"/>	Mrs <input type="checkbox"/>	Ms <input type="checkbox"/>	Miss <input type="checkbox"/>	Other <input type="checkbox"/>	If 'Other' please state _____
Forename:	_____	Surname:	_____		
Date of birth:	____ / ____ / ____				
Permanent residential address:	_____ _____				
Postcode:	_____	Membership No:	_____		
Tax district:	_____	Tax reference number:	_____		

2. Lifetime Allowance

- Is this the first time you have elected to take benefits from any pension fund since 6 April 2006? Yes No
If 'YES' please go to 2a, if 'No' please go to 2b. _____

2a. Pre A-Day Benefits

- At 5 April 2006 were you taking any benefits (for example income withdrawals/scheme pension) from pension funds which had accrued up to this date? Yes No
If 'YES' please provide details, if 'No' please go to 2c. _____

Name of pension scheme	Name of scheme administrator	Current maximum annual rate of income
		£
		£
		£
		£
		£
Total maximum gross annual rate of income		£

Please see notes on the final page "How to Complete the Benefit Crystallisation Event Form".

2b. Post A- Day Benefits

- If you have already taken benefits from other pension funds (excluding IPM SIPP funds) since 6 April 2006 please complete the following:

Name of pension scheme	Name of scheme administrator	Date of Benefit Crystallisation Event (BCE)	% of your lifetime allowance used by BCE
			%
			%
			%
			%
			%
Total used to date			%

2c. Protect Your Lifetime Allowance

- Are you entitled to any of the following types of protection?*
- Primary protection Certificate reference number _____
- International Certificate reference number _____
- Enhanced protection Certificate reference number _____
- Pension credit rights Certificate reference number _____

** Please select accordingly and forward to us a copy of the certificate issued by HMRC. We can obtain a copy of the certificate directly from HMRC if you complete the attached APSS203. Please note, this will delay the payment of benefits.*

3. Payment of benefits

Where your Individual Fund has an element of protected rights, IPM will crystallise the protected and non protected rights elements of your Fund in equal proportions (unless instructions are received from you to the contrary). For further information on proportionality, please contact IPM or see our guidance note.

3a. Pension Commencement Lump Sum

- Please tick one box: Maximum available* Specified amount

Please specify amount: £ _____

This option is only available if you will be under 75 when you take your benefits.

** If you have primary protection with lump sum rights over £375,000 at 5 April 2006 the maximum available will be the remaining value of these lump sum rights which you have not yet taken as benefits.*

3b. Annual Income Amount

- Maximum available Minimum income (this will be nil unless in ASP)

Other (Please specify amount: £ _____ p.a. gross)

3c. Combined Pension Commencement Lump Sum and Income

- Total pension commencement lump sum and income £ _____ Gross

Maximum income will be used in the calculation for this combined total.

If target net income is required, the assumed tax rate is: Basic rate Higher rate

The net income paid may vary depending on the tax coding supplied by HM Revenue & Customs.

- If you are currently taking an income, is the current annual amount included in this combined figure? Yes No

This option is only available if you will be under 75 when you take your benefits.

3d. Income Payment Requirements

- I wish to receive my income payments (please tick one box)

Monthly Quarterly Half yearly Yearly

- Would you like the payments to be made in advance or in arrears

Please note that all income payments are made to ensue the client has cleared funds on the last working day of the month.

Notes

Requirements to pay Benefits

Before benefit payment can commence I.P.M. requires the following:

- The full transfer value and associated transfer information
- The re-registration of any assets being transferred in specie to be complete
- Any contributions that are to be included in the Benefit Crystallisation Event
- If applicable, Revenue certificate showing any enhancement to the standard lifetime allowance
- Evidence of age
- Evidence of your name and address (money laundering verification)
- A valuation of the assets within your SIPP from your appointed investment administrator. If appropriate this valuation will need to be produced in accordance with the Taxation of Chargeable Gains Act 1992 (TCGA92).

Pension Commencement Lump Sum

- The maximum pension commencement lump sum available will normally be up to the lower of 25% of the SIPP fund applicable to the arrangements being used, and 25% of the fund up to your lifetime allowance
- The pension commencement lump sum has to be taken as a lump sum in advance and cannot be taken monthly
- The pension commencement lump sum is not available once you reach age 75
- The pension commencement lump sum is paid to your designated bank account via CHAPS which incurs a bank charge unless otherwise stated.

Income Payments

- Income is always paid on the last working day of the month (Please note, this may vary should this fall during a holiday period)
- If you wish to start taking an income from your plan, you must notify us at least 15 working days before the end of the month prior to the date the first income payment is to be made
- If you wish to vary the amount you receive, you must notify us at least 10 working days before the end of the month prior to the date the change is to come into effect.

Note: The 'date the change is to come into effect' is always the last working day of the month.

Income Reviews

Under review rules we are required to recalculate your maximum income limit every five years from the date benefits start if you are under 75. If you are 75 or over we are required to recalculate your maximum and minimum income limit every year. At this time a valuation of the SIPP will be required, in accordance with TCGA92 if appropriate.

Your Bank Account Details

The bank account to which your income and/or pension commencement lump sum is paid must be held in your name (joint accounts are acceptable). The account must be able to accept BACS and CHAPS payments.

How to Complete the Benefit Crystallisation Event Form

The Benefit Crystallisation Event (BCE) Form needs completing every time a member wishes to start drawing benefits or additional benefits from the scheme.

The majority of the form is self explanatory, requesting personal details and the income requirements of the scheme member. However, section 2 of the form is a little more complex and deals with the information that HMRC require the scheme administrator (IPM) to collect. It basically is ensuring that the benefits payable are within the set limits and that no additional tax charge is applicable.

The pension legislation changed on 6th April 2006 "A day". At this time the concept of a Lifetime Allowance was introduced i.e. the total amount of pensions saving that an individual can amass and on which the substantial tax advantages given to pension funds will apply. For most people the Standard Lifetime Allowance applies. This changes every year, but started for the tax year 2006/7 as £1,500,000, rising to £1,800,000 by 2010/11. Provided benefits in payment do not exceed the Lifetime Allowance, no **additional** tax charges apply. Only for those members who have registered for some form of protection with HMRC does section 2c need completing.

The Lifetime Allowance spans all of a member's pension schemes. Therefore when benefits are drawn from the IPM scheme we are required to ask what is being drawn from other arrangements and the value of this pension (expressed as a percentage of the Lifetime Allowance). Provided the sum of all benefit in payment do not exceed the Lifetime Allowance, additional benefits can be paid by IPM without raising an **additional** tax charge.

Unfortunately the position where a member is already in receipt of benefits pre A day is a little complicated. At the time the benefit was drawn, the Lifetime Allowance concept did not exist, therefore the member will not have been given a certificate by that scheme administrator showing the value of the benefits (expressed as a percentage of the Lifetime Allowance). As a result, on the first BCE after A day, IPM needs to check that the additional benefits will be within the limits, by assessing the value of the pension already in payment. Provided it is apparent that the current pension entitlement(s) and the new request do not exceed the Lifetime Allowance, the benefit from the IPM scheme can be paid. However, if the total benefits are close to the Lifetime Allowance limit, a certificate from the scheme administrator already paying the benefits will be required.

Furthermore, even if IPM do not require a certificate from the other scheme administrator(s) the scheme member will need to notify them that they have now started to draw benefits from IPM. This is because the legislation requires them to produce a certificate, showing the value of the benefits they are paying, expressed as a percentage of the Lifetime Allowance, as at the first BCE (the first date the member draws additional benefits) after A day. This certificate must be given to and retained by the scheme member and produced to any scheme administrator from whom a request for pension benefits is subsequently requested.

Failure to produce a Lifetime Allowance Certificate from all schemes from which a member is receiving benefits will delay the payment of any additional pension benefits.

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