



Transferring Protected Rights Benefits to an Existing IPM SIPP

This pack is designed for those individuals who already have a SIPP established with I.P.M. SIPP Administration Limited (IPM) and are now looking to transfer in policies to that SIPP which contain protected rights benefits.

What are protected rights benefits?

Protected rights are benefits that have accumulated as a result of contracting out of the State Second Pension (S2P), formally known as the State Earnings Related Pension Scheme (SERPS). These monies may have previously been paid by the HMRC National Insurance Contributions Office on your behalf into an appropriate personal pension, appropriate stakeholder scheme, contracted out money purchase scheme, contracted out money purchase stakeholder scheme or contracted out final salary schemes.

Can my IPM SIPP accept protected rights?

Yes – from 1 October 2008 you will be able to transfer policies which contain protected rights benefits to your IPM SIPP. Please note that you will not be able to direct your contracted out National Insurance rebates to your IPM SIPP on an on-going basis.

How do I transfer my protected rights benefits to IPM?

You will need to complete the IPM Additional Transfer Form along with the Expression of Wish Form for protected rights benefits. Once you have completed these documents please forward to IPM. We will then contact the ceding scheme for the necessary discharge forms to initiate the transfer process or alternatively, if these have already been supplied with your IPM paperwork, liaise directly with your current pension provider for the transfer of your benefits.

IPM will also require an up to date valuation of your SIPP to be supplied by your appointed investment administrator.

Why does my investment administrator have to supply IPM with a valuation of my SIPP?

IPM is required by the Department of Work and Pensions (DWP) and Her Majesty's Revenue and Customs (HMRC) to identify which benefits in your SIPP are protected rights and report the value of these on an annual basis.

If it is your intention to invest all of your SIPP as one fund IPM needs to establish the initial split of the fund between protected rights and non-protected rights and this can only be determined if the value of the existing SIPP fund is known at the date of transfer of the protected rights. **If the fund split is not given, the protected rights fund will be held in cash until this is to hand.**

Alternatively, you can arrange for the two elements of your SIPP to be invested separately i.e. managed as two funds.

I have already completed an expression of wish when I established my SIPP. Why do I need to complete an additional form?

The way your protected rights benefits are treated upon your death differ to ordinary pension benefits. These differences are as follows:

- if you are survived by a qualifying spouse or civil partner, he/she is entitled to a pension from the protected rights funds;
- if there is no qualifying spouse or civil partner, the protected rights funds must be paid out as a lump sum in accordance with your directions, i.e. your directions are binding. If you do not give any directions, or they can not be followed, the funds will be paid to your estate

Please also note that as the lump sum death benefit paid from the protected rights fund is not subject to trustee's discretion, it is likely that it will be aggregated with your estate for inheritance tax purposes, i.e. there is a greater risk of IHT being payable. This is laid down in the legislation and is not within the control of the Scheme Trustee.

Can I fully self invest my protected rights monies in my IPM SIPP?

Yes. IPM does not operate any in house investment funds, panels or investment houses therefore you are able to invest your protected rights monies in accordance with the investment strategy you agree with your financial adviser.

Any restriction IPM applies on where you can invest your protected rights monies are in line with our normal stance. Further information on this can be found in our Key Features booklet.

What benefits can I take from my protected rights monies?

You are able to take benefits from your protected rights monies in accordance with normal personal pension scheme rules. Further information in this regard can be found in our Key Features booklet.

What will IPM charge me for transferring my protected rights benefits?

IPM will not levy an additional fee, either initially or on an on-going basis, for accepting protected rights monies into the IPM Personal Pension Scheme. This process is covered under our standard annual administration fee.

Please refer to our fee menu and Terms of Business for further information.

For further information on the services IPM provide or IPM's procedure on accepting protected rights monies please contact Jonathan Lochery or James Randall on 0845 130 3443.

Note – I.P.M. SIPP Administration Limited is regulated by the Financial Services Authority to provide self invested personal pensions only. We are unable to provide financial advice. IPM strongly recommends that you seek advice from your independent financial advisor before making a decision to transfer your protected rights benefits to ensure this best suits your circumstances.

IPM Personal Pension Scheme

Additional Transfer Form



■ Member Name:	<input type="text"/>	IPM Membership No.	<input type="text"/>
■ Name of transferring scheme administrator:	<input type="text"/>		
■ Address	<input type="text"/>		
		Postcode	<input type="text"/>
■ Telephone number:	<input type="text"/>	Policy No.	<input type="text"/>
■ Full title of transferring scheme:	<input type="text"/>		
■ HMRC registration number	<input type="text"/>		
■ Amount of transfer payment:	<input type="text"/>		
■ Is the transfer in Specie?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
■ Does the transfer contain protected rights benefits?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
■ Have you received any benefits from the fund being transferred? (If yes you will need to complete the Unsecured Pension Application Form)	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
■ Do you intend to draw benefits immediately from this scheme? (If yes, please enclose your birth certificate and, if you are a married woman, your marriage certificate A separate Benefits Payment Form will be sent to you by the administrator for completion and return).	Yes <input type="checkbox"/>	No <input type="checkbox"/>	

- If any fees / commission are to be paid as a result of this transfer, how will the amount be calculated?

By fixed monetary amount:	Initial payment	£	<input type="text"/>	Annual payment	£	<input type="text"/>
By percentage of the fund value:	Initial payment	%	<input type="text"/>	Annual payment	%	<input type="text"/>

(Please note, a commission request / fee invoice will be required from the IFA in respect of each payment due from the trustee).

I hereby declare that I will not attempt to draw any benefit from the scheme except in accordance with the rules of the scheme.

I request that the scheme administrator of the transferring scheme applies the whole of my available transfer value from that arrangement. I understand that following the application of the transfer value, neither I, or my spouse or dependants will have any further entitlement under the transferring scheme. I acknowledge and agree that a copy of this request and discharge shall be deemed binding as though it were the original. I authorise the Trustee, Scheme Administrator or Insurers of the transferring scheme to provide any information, which I.P.M. SIPP Administration Limited may request in relation to any benefits provided for me.

I authorise and request that the Scheme Trustee accepts a transfer value into the Scheme on my behalf and any part thereof that is identified as protected rights is paid into a separate arrangement under the Scheme for protected rights only.

In return for the services to be provided by the Trustee and Administrator, I agree to pay charges set out in the charging structure schedule current at the date of this application and those charges detailed as payable to my Independent Financial Adviser, if any, as stated in this application form. I authorise I.P.M. SIPP Administration Limited to pay such charges from the bank account held for my benefit and to realise investments attributable to me in order to pay such charges and to settle any third party charges payable in respect of investment transactions to the extent that such charges have otherwise been paid within seven days of falling due.

I agree to the scheme administrator deducting any amount from the fund held for my benefit in order to pay any charge, including any scheme sanction charge, levied by HM Revenue and Customs. In the event that there are insufficient funds held for my benefit I agree to personally pay to the scheme administrator any amount required to pay for such charges.

To the best of my knowledge and belief the details given on this application are correct and complete.

Signature:	<input type="text"/>	Date:	<input type="text"/>
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For additional information regarding the IPM Personal Pension Scheme, please contact either Jonathan Lochery or James Randall on: 0845 130 3443

IPM Personal Pension Scheme

Expression of Wish for Protected Rights Funds



If any part of your funds represents "protected rights", you should read the protected rights notes at the end of this form then use the table below to direct separately how you want those funds to be paid.

Name and address	Any relationship to you	% of protected rights fund

Finally, please sign and date the form below, make a copy for your own records and return the original to the Scheme Trustee [at address].

Signed: _____ Name: _____

IPM Membership Number: _____ Date: ____/____/____

Protected Rights Notes

There are differences in the legislation and rules governing protected rights funds and these make it especially important that you ensure:

- your nomination is kept up to date; and
- if more than one person is nominated, the specified percentages add up to 100*.

(* if they do not, then the nomination will be treated as if the percentages actually specified were increased pro rata to total 100).

The differences in how protected rights funds are dealt with on your death are as follows:

- if you are survived by a qualifying spouse or civil partner, he/she is entitled to a pension from the protected rights funds;
- if there is no qualifying spouse or civil partner, the protected rights funds must be paid out as a lump sum in accordance with your directions, i.e. your directions are binding. If you do not give any directions, or they can not be followed, the funds will be paid to your estate.

Please also note that, because you have more control over who is to benefit, the protected rights funds carry a greater risk of being treated as part of your estate for inheritance tax purposes, i.e. there is a greater risk of IHT being payable. This is laid down in the legislation and is not within the control of the Scheme Trustee.

Please make a copy of this form for your own records and return the original to the Scheme Trustee using the details below.