

# The IPM Personal Pension Scheme



## Terms of Business 2010

### Self - Invested Personal Pensions

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## INTRODUCTION

I.P.M. SIPP Administration Limited (“the Trustee”) is the Trustee and Administrator of the IPM Personal Pension Scheme. The term “Administrator” in this context is a formal term in the relevant legislation – it means the body which has the responsibility for the Scheme. I.P.M. SIPP Administration Limited will provide the administrative support services as described below.

## ADMINISTRATION FEES

Administration fees comprise two components:

- a basic element
- an additional element

The **basic element** will reflect the work which needs to be done for all Members and a payment request will be issued at the beginning of each year of membership. For 2010 the charge for the basic element is £540 plus VAT per Member.

The **additional element** covers work of a one-off nature. A payment request will normally be issued as and when the work is undertaken and the request will specify the additional work. The fees for the additional element are charged on a time cost basis and a provisional estimate can normally be supplied in advance of any work being undertaken.

The amount and the structure of the fees are reviewed annually and will not normally be increased by more than the National Average Earnings Index.

Bank of Scotland pay I.P.M. SIPP Administration Limited a commission based on the total value of all cash accounts held with them.

## BASIC ELEMENT

The Basic Element will cover the cost of formally establishing membership of the Scheme and carrying out the requirements of the Her Majesty’s Revenue & Customs (HMRC) and the relevant legislation which are necessary to ensure that the Member receives the tax reliefs which follow from membership. There is no separate initial establishment fee.

The following services are provided at inception:

1. Vetting the application, checking any transfer forms (including statutory certificates) and confirming that the contributions do not exceed the statutory limits.
2. Establishing a bank account for the Member’s arrangement and processing the initial contributions.
3. Advising on the acceptability of the proposed investments for HMRC requirements, highlighting the possibility of specific tax charges that an investment may attract.
4. Providing the relevant certificates and members information leaflet together with a copy of the Scheme Trust Deed to satisfy the statutory requirements.
5. Establishing the necessary computer records to enable the Trustee to meet ongoing administrative and statutory requirements.
6. Compliance with Money Laundering Regulations arising from the Criminal Justice Act 1993.

The basic element also covers the provision of the following essential recurring services:

1. Recovering the basic rate tax from the HMRC on contributions.
2. Allocating tax reclaimed to a Members account; notification to Investment Advisors and Members of the additional sums available for investment.
3. Issuing the year end benefit statements, statement of contributions and investment details which are required by statutory regulations.
4. Processing further contributions.
5. Collating information for the IPM Personal Pension Scheme for submission of year end reporting to HMRC.
6. Completion of quarterly event returns to HMRC.
7. Updating Member's records from the reports of the Investment Administrator.
8. Providing ongoing advice on HMRC practice and changes in relevant legislation.

There are no specific scheme charges relating to investment and money transactions, with the exception of CHAPS payments that are charged at a rate of £23.40 + VAT.

## **ADDITIONAL ELEMENT**

In fulfilling its role the Trustee is often called upon to supply additional services, the charge for which will reflect the seniority and experience of the staff involved. Although not exhaustive, the following highlights the additional services which may need to be provided.

1. Preparing retirement calculations in cases of Benefit Commencement Lump Sums and Income Withdrawal. Issuing of retirement advice as required by legislation.
2. Administering the payment of pensions directly from the assets of the Scheme.
3. Opening accounts not with Bank of Scotland.
4. Considering proposals for Trustee borrowing and preparation of the appropriate documentation.
5. Dealing with property purchase or sale (including VAT implications) and any leasing and mortgage arrangements. Ongoing property administration.
6. Changing Investment Advisors or Administrators including preparation of the necessary new agreements.
7. Death of Member - investigating and deciding to whom any lump sum should be paid. Disinvesting the funds, processing the death certificates etc. and making the appropriate payments.
8. Transfers out - processing the transfer including provision of any necessary statutory certificates to the receiving scheme.
9. Transfers in - dealing with the administrator of the transferring scheme and processing the transfer value.
10. Making amendments to the Scheme documents consequent upon legislative change.

## **PAYMENT TERMS**

All fees are not refundable and must be settled within 14 days of the date of the payment request.

## COMPLAINTS

If a Member has any complaint about the service received from I.P.M. SIPP Administration Limited then he/she should write in the first instance to the Managing Director of I.P.M. SIPP Administration Limited, who will acknowledge the letter promptly, investigate the circumstances and report the results to the Member. In the event of a complaint being unresolved after at least two months, the Member has the right to refer his or her complaint direct to the Financial Ombudsman Service (South Quay Plaza, 183 Marsh Wall, London, E14 9SR).

If a Member or his/her dependant has a problem concerning pension rights and is not satisfied with the information or explanation given, the individual concerned can consult The Pensions Advisory Service (TPAS) by contacting the nearest Citizens Advice Bureau.

Where a complaint cannot be resolved with the assistance of TPAS, the complainant can consult the Pension Ombudsman (11 Belgrave Road, London SW1V 1RB).

*The smooth and efficient administration of the Scheme and the individual Member's arrangements (and thus the amount of fees) is dependant on the speed and accuracy with which information is obtained from a Member and his other advisors. In particular, there must be regular reports from the Investment Administrator to the Trustee containing the details essential for the Trustee to carry out the tax reclaims and provide the statutory certificates and other documents required by HMRC.*

Issued by:

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