



### IPM PERSONAL PENSION SCHEME

#### 1 INTRODUCTION

I.P.M. SIPP Administration Limited ('the Operator') is the Operator and Administrator of the IPM Personal Pension Scheme ('the Scheme'). I.P.M. Personal Pension Trustees Limited is appointed by the Operator as the Asset Trustee to the Scheme. Investments made in the Scheme are made in the name of the Asset Trustee to ensure that Scheme assets are held separately to those of the Operator.

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. The Operator will provide the administrative support services as described below.

#### 2 ADMINISTRATION FEES

Administration fees comprise three components:

- a basic element
- a drawdown 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 2019 the charge for the basic element is £540 plus VAT per Member.

The **drawdown element** applies once a Member has elected to receive benefits from their SIPP and is in addition to the basic element. A payment request will be issued when a Member has a Benefit Crystallisation Event and at the beginning of each year of membership. For 2019 the charge for the drawdown element is £150 plus VAT. This fee is payable irrespective of the number of drawdown payments made during the year.

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 usually a fixed cost, details of which can be found in this document. However where the work undertaken is protracted IPM reserves the right to levy additional fees on a time cost basis. Where possible you will be advised of this before the work is carried out.

The amount and structure of the fees are under regular review.

In addition to our listed fees, IPM receives from Metro Bank an interest turn based on the total value of all cash accounts held with them. The amount IPM receives varies on the amount held in accounts in IPM's name and the market interest rates. Typically IPM receives 0.4% however this can vary depending on the volatility of the interest rates. This interest retained by IPM is used to ensure our charging structure remains competitive and helps cover some of the operational costs. IPM does not insist that a minimum balance is kept in this account except for where IPM is required to pay a regular income from a drawdown arrangement.

### 3 BASIC ELEMENT

The basic element will cover the cost of formally establishing membership of the Scheme. Typically, there is no separate establishment fee.

**The following services are provided at inception:**

1. Vetting the application, processing any discharge forms / initiating any necessary transfer processes and processing initial contributions into the Scheme.
2. Establishing a trustee bank account for the Member's arrangement.
3. Advising on the acceptability of the proposed investments for HMRC requirements, highlighting the possibility of specific tax charges that an investment may attract, but not the suitability of that investment. Please note that IPM will levy an additional fee in order to consider non-standard investments.
4. Providing the relevant certificates and members information leaflet together with a copy of the Scheme Trust Deed and Rules to satisfy the statutory requirements.
5. Establishing the necessary computer records to enable the Operator 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 Scheme for submission of year end reporting to HMRC.
6. Completion of quarterly event returns to HMRC.
8. Providing ongoing advice on HMRC practice and changes in relevant legislation.

## 4 DRAWDOWN ELEMENT

The drawdown element applies in a number of scenarios. These are covered in more detail below:

### **When a Member comes to draw benefits (known as a Benefit Crystallisation Event (BCE))**

1. Obtaining and ensuring valuations of Member's assets that have been provided are in accordance with the Legislation
2. Carrying out tests against the Lifetime Allowance, taking into account any forms of transitional protection and advising on any resultant Lifetime Allowance tax charge
3. Performing the benefit calculations in line with the Member's request
4. Obtain instructions to arrange for the necessary dis-investments to pay the initial level of benefits
5. Payment of Pension Commencement Lump Sum (PCLS), where required
6. Issuing associated documentation where required including confirmation of maximum income limit, Lifetime Allowance certificate and right to change your mind documentation
7. Amending internal records including, where required, the establishment of regular income payments to the Member
8. Completing necessary submissions to HMRC

*A fee of £150 plus VAT will apply at the time the BCE occurs. The payment request will also be raised at this time. Additionally, HMRC requires IPM to carry out a BCE when an individual reaches age 75, for which the fee of £150 plus VAT will also apply*

### **Once a Member has had their first Benefit Crystallisation Event (BCE) the annual drawdown element fee covers work that is in addition to the basic element**

1. Regular income payments to the Member on a monthly, quarterly, half yearly, annual or ad hoc basis under capped or flexi-access drawdown.
2. Monitoring of the cash position on the trustee bank account to ensure there are sufficient monies to pay the requested income amount and associated work required to rectify this if required
3. The deduction and payment of PAYE tax to HMRC
4. Providing the Member with an annual Lifetime Allowance statement
5. Issuing P60's and pay slips to the Member where required
6. Liaising with HMRC in regards to various regulatory notifications, returns, reports and submissions
7. Ensuring that the maximum levels of income are not exceeded under capped drawdown

*The work outlined above highlights additional work on an annual basis that can be required. The drawdown element of £150 plus VAT will apply per annum irrespective of the number of drawdown payments made during the pension year. While IPM will accommodate ad-hoc income payment requests, note that where the number of requests IPM receives in a pension year is excessive we reserve the right to charge a fee of £25+VAT to make these ad-hoc payments.*

### **Where a Member is in capped drawdown, reviews are regularly required on the maximum level of income that is available. Additional work is necessary when these reviews are required.**

1. Obtaining and ensuring valuations of Member's assets that have been provided are in accordance with the Legislation
2. Carrying out the revised benefit calculations
3. Issuing associated documentation where required
4. Amending internal records including, where required, the level of regular income payments to the Member
5. Amending any existing dis-investment instructions for the on-going payment of regular income

*Further information of when a review is required can be found in the Key Features document. When a review is performed a fee of £150 plus VAT will apply.*

### **Where a Member requests an uncrystallised funds pension lump sum (UFPLS) payment.**

1. Making payment of the UFPLS to the Member's designated bank account
2. Testing the requested payment against a Member's Lifetime Allowance
3. Arranging for dis-investments to be made to facilitate the payment
4. Deducting any tax from the income and paying this to HMRC
5. Issuing associated documentation where required

*An annual fee of £150 plus VAT will be levied when the first UFPLS payment is made in the year of membership. Thereafter the Member is able to take as many UFPLS payments as required during that year of membership year of membership, within reason. Note that an annual drawdown element fee does not apply where a Member is requesting a UFPLS payment.*

## 5 ADDITIONAL ELEMENT

In fulfilling its role the Operator is often called upon to supply additional services that are not covered by the basic element or the drawdown element. Although not exhaustive, the following highlights the additional services which may need to be provided.

1. Considering proposals for Asset Trustee borrowing and preparation of the appropriate documentation.
2. Dealing with property purchase or sale (including VAT implications) and any leasing and mortgage arrangements.
3. On-going property administration. While IPM does not charge an annual property fee, in some cases additional fees may be levied in relation to the on-going administration of a property within a SIPP. Please refer to our Additional Property Fees document for further information
4. Arranging property insurance (IPM receives a share of the insurance broker's commission for this service so does not charge a fee)
5. Changing Investment Advisors or Administrators including preparation of the necessary new agreements.
6. 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.
7. Transfers out - processing the transfer including provision of any necessary information to the receiving scheme.
8. Transfers in - dealing with the administrator of the transferring scheme and processing the transfer value.
9. Making amendments to the Scheme documents consequent upon legislative change.
10. The right is reserved to charge an additional fee for the consideration of investment into a non-standard asset.

Where possible, the Operator levies flat fees for the work undertaken on a Member's behalf. Examples of these can be found below:

### **Commercial Property – Various**

Please refer to our Additional Property Fees document for further details on the fees IPM levy in relation to commercial property

### **Non-Standard Investments – From £400 plus VAT**

The requirements of the FCA placed on SIPP providers investing in non-standard assets are extensive. IPM will continue to consider requests of this nature however a minimum fee of £400 will be levied. The fee will cover the collation of the various documents associated with the investment, the consideration of these documents and liaising with the various third parties involved with the investment. The fee will be due even if the investment does not proceed or if as a result of IPM assessment process the investment does not meet FCA guidelines.

### **Transfers Out – From £250 plus VAT**

This fee covers liaising with the receiving scheme in order to transfer an individual's benefits from the IPM SIPP. Where a transfer is to take place in-specie IPM will levy a fee of £30 per asset transferred; note that a DFM, platform or stockbroker account would count as one asset.

### **Payment of Death Benefits - £500 plus VAT**

Upon a death IPM is required to decide who death benefits are payable to taking into consideration a member / dependent / successor nomination. Once ascertained, IPM will make the necessary arrangements for payments to the beneficiaries while liaising with the various third parties involved. IPM reserves the right to levy time costed fees for complex scenarios.

### **Carrying Out Payments in Respect of Divorce - £500 plus VAT**

Upon receipt of a pension sharing order which includes an IPM SIPP, we will carry out the necessary work to comply with the order while liaising with the various third parties involved to ensure the individual(s) wishes are taken into consideration. IPM reserves the right to levy time costed fees for complex scenarios.

### **Opening a Fourth or more External Bank Account - £50 plus VAT**

Where possible, IPM aims to carry out investment requests within our annual administration fee. However, where we are asked to open external bank accounts this generates significant work. While we wish to continue to allow clients the flexibility to open such accounts, where a client's plan is to hold money in multiple external bank accounts IPM will levy a one off fee where a client already has three external bank accounts in their SIPP; note this is three accounts in addition to the trustee bank account.

### **Ad-hoc Valuations - £50 plus VAT**

IPM provides an annual valuation in line with the anniversary date of a SIPP as part of the annual administration fee. If a valuation is required on a date other than the anniversary then a charge will apply. Note that in most instances clients and their advisers will be able to approach investment houses directly to obtain any information they require. Trustee bank account balances are available via IPM's online access facility or by contacting our office.

*In most instances the majority of the work IPM carries out on a client's behalf will be covered by the fees listed in this document. However there are occasions where IPM is asked to carry out work above what is covered by the annual administration fee and which is not listed specifically in this Terms of Business. For this IPM reserves the right to charge at an hourly rate to cover our time; for senior members of staff this is £250+VAT per hour and £125+VAT per hour for an administrator. Notice will be given where our hourly rates are likely to become due.*

## 6 PAYMENT TERMS

All fees are non refundable and must be settled within 14 days of the date of the payment request.

A charge of £25+VAT will be levied where IPM is required to issue correspondence requesting settlement of our fees, per correspondence issued.

## 7 DATA PROTECTION

During the course of your relationship with I.P.M. SIPP Administration Limited\* ("IPM") it will be necessary for us to obtain personal data about you and process this data.

\*In this notice all references to us/we/our/the firm/the company mean I.P.M. SIPP Administration Limited

### What is Personal Data?

The definition of personal data has two elements:

- (1) It is any information which can be used to identify or locate you;
- (2) It is any information about you which is of a private or confidential nature.

### What does 'Processing' mean?

In the context of personal data, processing means doing anything with or to that data.

This includes collecting it, storing it, accessing it, using it, sharing it and deleting it.

### Data Controller

A data controller is the party responsible for determining why and how personal data is processed.

In our relationship with you, IPM is the data controller.

### Data Processor

A data processor is a party which processes data on behalf of the data controller.

There are a number of external parties who act as data processors for IPM – for further information please see the **Recipients of Personal Data** section below.

### Categories of Personal Data

The type of personal data which IPM processes can be categorised as follows:

- Identity Data – this includes your name, national insurance number, passport/driving licence number, date of birth, gender
- Contact/Communication Data – this includes your home address, telephone number, email address
- Financial Data – this includes personal bank account details, earnings, financial status, details of personal financial/investment interests
- Private/Confidential Data – including marital status, employment information, details of family and/or business relationships

### Data Protection Officer

The Data Protection Officer (DPO) is responsible for overseeing data protection strategy and implementation. The role of DPO also involves them acting as a contact point for data subjects (the individual to whom personal data relates) and the supervisory authority.

The DPO for IPM is David Sutcliffe, who is also the managing director of the firm.

### Legal Grounds and Purposes for Processing

IPM can only collect and process personal data when there is a lawful reason to do so.

The lawful reasons for which we will obtain and use personal information about you are as follows:

#### 1. Processing is necessary for the performance of a contract

IPM is the trustee and administrator of the IPM Personal Pension Scheme. The scheme members are the clients of IPM, so we can only provide our services if we can identify and communicate with the scheme member.

#### 2. Processing is necessary to comply with a legal obligation

It is our duty to act in accordance with the law at all times. Anti-money laundering regulations compel IPM to verify a scheme member's identity and carry out appropriate background checks. We are also bound by reporting requirements and other obligations set by HM Revenue & Customs, the Financial Conduct Authority and other agencies such as law enforcement.

#### 3. Processing is necessary to protect your vital interests

IPM can only provide adequate protection to a member's arrangement within the pension scheme if there is sufficient personal data to verify the member's identity, understand and monitor financial transactions, issue accurate communications and so on

#### 4. Processing is necessary to pursue the legitimate interests of IPM

If a scheme member complains or instigates legal proceedings against IPM then we are entitled to investigate the grievance in order to defend ourselves, which may require us to process the member's personal data. Similarly, IPM reserves the right to pursue a member for unpaid fees or other sums legitimately owed to us.

Please note: IPM will only ever process your personal data for the purposes mentioned above. Equally, we will not obtain more personal data than is necessary for us to achieve those purposes or personal data which is not relevant to them. We do not engage in practices such as targeted marketing or predictive customer analysis. Any processing which is not consistent with the reasons given here constitutes a data protection breach and is not lawful. If it is necessary for us to use your personal information for any other purpose then IPM is obliged by law to inform you and justify the legal basis for us processing the data in that way.

## 7 DATA PROTECTION (CONTINUED)

### Recipients of Personal Data

IPM will only share your personal data with a third party if it absolutely necessary to provide the services you have agreed with us, or if there is a legal obligation for us to do so. We will share your data with authorised parties, such as your designated financial advisor, and with solicitors, banks, investment houses and other financial institutions depending on what is required to execute your instructions.

As IPM records personal data electronically your personal data will be processed by our IT partner who is responsible for operating, overseeing and maintaining our IT systems and servers. It will also be necessary for us to share your personal data for external auditing purposes.

With each data processor we have an agreement in place which sets out the services we have contracted them to provide and which also contains assurances that any personal data they process on our behalf is used in a way which is lawful and which aligns with the purposes for which the personal data was originally obtained by IPM..

If you make a complaint against IPM we may be required to share your personal data with the Financial Ombudsman Service, the Pensions Ombudsman and/or the Pensions Advisory Service.

It is our duty to ensure that your personal data is shared with data processors in a secure manner and the data is limited to what is necessary.

### Your Rights

In order for you to have full control over how your personal data is used, it is important that you are aware of your rights as a data subject under the law.

#### 1. Right of access

You are able to request IPM for a copy of the personal data which we are processing and we must provide this to you within 40 days.

#### 2. Right of rectification

You have a right to have any inaccurate or incomplete data held by IPM be corrected or completed.

#### 3. Right to erasure ('Right to be forgotten')

You can request IPM deletes your personal data when the purposes for which the data was collected in the first place no longer apply.

#### 4. Right to restriction of processing

You can ask for your personal data to be stored but not otherwise processed by IPM without your express consent if the data is not being used for the purposes for which it was collected, if those purposes no longer apply, or if it was not collected in accordance with the legal grounds for processing mentioned above.

#### 5. Right to object

Where IPM processes your personal data to further our legitimate aims, you have the right to object to your personal data being processed unless we can demonstrate compelling legitimate grounds for processing.

#### 6. Right to data portability

You have a right to request IPM transfer personal data which we are processing to another data controller in electronic form.

### Retention of Personal Data

IPM will retain all personal data which is relevant to the legal grounds for processing for as long as you are a client of the firm. Should you transfer your arrangement away from IPM or terminate your relationship with us, our policy is to retain all relevant personal data (paper and electronic copies) for a period of up to 10 years unless there is a lawful reason to keep it longer.

During this retention period the processing activity will be restricted so that the personal data can only be accessed in circumstances where there is a legitimate need to do so. This may be to assist with any enquiries from you or others with whom we are obliged to co-operate, such as law enforcement agencies, about your arrangement during your relationship with IPM. Furthermore, as you have the right to make a complaint against IPM even after you cease to be our client, we will only be able to investigate and respond if we are able to look at your file and the personal data therein which is relevant to the complaint.

Once there is no justifiable reason for your personal data being retained by IPM 'hard' paper copies and 'soft' electronic copies will be destroyed in a secure manner.

### Data Protection Supervisory Authority

The UK Supervisory Authority for data protection is the Information Commissioner's Office ("ICO"). You can visit their website at [www.ico.org.uk](http://www.ico.org.uk)

You have the right to lodge a complaint with ICO if you are unhappy with how IPM processes your personal data or have any concerns about our data protection practices in general.

A copy of our full Data Protection Policy is available upon request.

## 8 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 (Exchange Tower, 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 Financial Ombudsman Service (Exchange Tower, London, E14 9SR).

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 Operator containing the details essential for the Operator to carry out the tax reclaims and provide the statutory certificates and other documents required by HMRC.

I.P.M. SIPP Administration Limited  
Cambridge House, Unit B,  
Campus Six, Caxton Way,  
Stevenage,  
Hertfordshire, SG1 2XD  
Tel: 01438 747 151  
Fax: 01438 357 344  
Email: [info@ipm-pensions.co.uk](mailto:info@ipm-pensions.co.uk)

**For additional information regarding the IPM Personal Pension Scheme, please contact either Jonathan Lochery or James Randall on: 01438 747 151.**

## 9 DECLARATION

**To be completed by all individuals wishing to establish a SIPP with IPM.**

I can confirm that I have received, read, understood and agree to this Terms of Business document which sets out the services offered and the fees levied by I.P.M. SIPP Administration Limited.

Name

Date

Signature



**I.P.M. SIPP Administration Limited** • Cambridge House, Unit B, Campus Six, Caxton Way, Stevenage, Hertfordshire, SG1 2XD  
Tel: 01438 747 151 • Fax: 01438 357 344 • Email: [info@ipm-pensions.co.uk](mailto:info@ipm-pensions.co.uk) • Web: [www.ipm-pensions.co.uk](http://www.ipm-pensions.co.uk)

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