



IPM PERSONAL PENSION SCHEME

1 INFORMATION

This document is designed to provide you with clear information regarding your self invested personal pension (SIPP) to help you understand the implications, whether you are making a contribution, considering a transfer value or wishing to take benefits from your savings. This document is not a substitute for independent financial advice. **We strongly recommend that you seek financial advice before entering a financial services contract.**

Please read this document carefully and ensure that you keep it in a safe place for future reference.

This document is based on our interpretation of current legislation and Her Majesty's Revenue and Custom's practice as at April 2020 and should not be relied upon for detailed advice or as a statement of law.

Please remember that current tax benefits may change in the future which could affect the amount of benefits you receive.

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2 AIMS OF THE SIPP

The SIPP is designed with the following aims in mind:

- To offer you a way of saving for your retirement whilst benefiting from various tax reliefs
- To give you and your adviser the ability to direct how the pension funds should be invested
- To provide you with a lump sum when you come to draw benefits from your SIPP
- To provide you with a level of income (regular or ad-hoc amounts) when you come to draw benefits from the SIPP
- To provide a lump sum or income payment to your spouse / dependent or nominated beneficiary(s) upon death

3 YOUR COMMITMENTS

To ensure the smooth running of your SIPP, you will be required to make the following commitments:

- To pay either a one off or regular contribution and / or transfer existing pension benefits to the SIPP
- To refrain from taking benefits from the Scheme until your 55th birthday
- To comply with the rules of the SIPP
- To determine the most suitable investment strategy for you and appoint those agents best placed to assist you in the pursuit of investment goals
- To take the necessary advice when deciding the type of benefits you wish to receive from your SIPP
- To notify us immediately of any changes in your personal circumstances that may affect your SIPP membership, including the eligibility to continue to receive tax relief on contributions or to receive benefits
- To settle any fees that have arisen in connection with the administration of your SIPP
- To have due regard for any regulatory requirements affecting the administration of the SIPP

4 RISK FACTORS

Before you agree with your adviser that the SIPP is the best option for you, please consider the following risks:

- The size of your SIPP, the income and other benefits that it can provide may not necessarily reflect the amount that you have paid in
- You may incur a penalty when transferring benefits from existing arrangements to the SIPP as well as surrendering any guarantees for future income you may have from that arrangement
- Whilst you are able to contribute to your SIPP after your 75th birthday you will not be eligible for tax relief
- The value of investments held within your SIPP can go down as well as up. This should be remembered particularly when you are considering taking benefits from your SIPP
- You should fully understand the structure and risks of any investment you make via your SIPP before proceeding. This includes reading all relevant literature associated with your chosen investment
- The liquidity of your SIPP needs to be considered when a decision to take benefits is made. Certain investments such as commercial property may take significantly longer to sell than other investments and delay the payment of benefits to you
- Taking income may erode the capital value of your SIPP. This may be the case, particularly if investment returns are poor and a high level of income is taken
- If you are in capped drawdown, we will regularly value your SIPP to calculate the maximum amount of income payable. If you are taking the maximum income permissible this figure may be lower in the future
- While you are able to continue with your SIPP once you have reached age 75, you should be aware that your SIPP may be subject to tax when benefits are paid after your death.
- The current tax treatment of the SIPP is not guaranteed and could change in the future. The way you operate your SIPP can have personal tax implications on you. Please ensure you understand these implications before taking any action and take financial advice where necessary
- You should understand the key features and any charges that relate to the underlying investments that are held within your SIPP. Please note that IPM cannot provide you with any advice in regards to the investments you make within your SIPP
- If the amount you contribute to all your pension benefits in one pension input period exceeds the annual allowance you may be personally liable for a tax charge.
- If you have certain types of protection from the Lifetime Allowance and you make a contribution to any pension arrangement you have, this protection will be lost
- A partial transfer of benefits to the SIPP may result in the loss of Enhanced protection. This point will not be relevant in some cases
- **IPM does not provide any investment or financial advice. If you are at all uncertain as to the suitability of a SIPP then please contact your adviser.**

5 GENERAL QUERIES ON THE IPM SIPP

This section looks to provide you with answers to any queries you may have concerning membership of the IPM Personal Pension Scheme (the SIPP).

What is a SIPP?

A Self Invested Personal Pension (SIPP) is a personal pension that gives you the ability to make your own investment decisions within the scope of what is permissible within the contract.

The investment opportunities within a SIPP are typically greater than that of a personal pension offered by an insurance company, as you are not restricted to the funds offered by that one investment house. The SIPP also offers you greater choice and flexibility in how you wish to take your benefits.

What is the IPM Personal Pension Scheme?

This is the name we give to our SIPP.

The IPM Personal Pension Scheme (the SIPP) is a registered pension scheme as laid down in Chapter 2 Part 4 of the Finance Act 2004. The Pension Scheme Tax Reference is 00605673RE.

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

The SIPP is operated under a Trust Deed and Rules a copy of which should be provided to you by your adviser along with this document and is available from our website www.ipm-pensions.co.uk

Who are I.P.M. SIPP Administration Limited?

I.P.M. SIPP Administration Limited (IPM) is a specialist pension administration organisation who will provide you with the full range of administration services necessary to operate the SIPP. IPM is authorised and regulated by the Financial Conduct Authority (FCA) as the operator of the SIPP to provide self-invested personal pension administration services.

IPM has been providing SIPP administration services since 1999. Since then, it has consistently enjoyed both significant client and financial growth year on year. As at January 2020, IPM looks after almost 5,000 clients and holds assets within the Scheme of in excess of £2.5bn.

5 GENERAL QUERIES ON THE IPM SIPP (CONTINUED)

How is my IPM SIPP administered?

IPM sees its SIPP offering as having two clear functions; pension administration and investment management. IPM is appointed to perform the pension administration however it is often necessary for third parties to be appointed to deal with the investment management. This function is then further separated into two roles; the Investment Administrator and the Investment Advisor.

What is the role of the Investment Advisor and Investment Administrator?

The member appoints the Investment Administrator to place trades for buying and selling assets on their behalf, maintaining cash and investment records and producing timely valuations for use by IPM. In order for any investments to be made by the SIPP, other than commercial property, it is compulsory to appoint an Investment Administrator. This can be your financial adviser or an investment house.

The Investment Advisor is appointed to provide the IPM with instructions regarding the investment of assets including the transfer of cash. This is not a compulsory role and the member at all times can give instructions directly to IPM.

Should a Member decide not to appoint and / or remove their independent financial adviser, Investment Administrator or Investment Advisor, they accept that this function will not be undertaken by IPM. The member will take personal responsibility for these functions until they select and appoint a suitable organisation to fulfill the respective roles.

What happens when I establish a SIPP with IPM?

Once in receipt of your application, IPM will allocate you with a membership number. This number is specific to you and will be quoted on all correspondence issued and investments placed on your behalf. We will also establish a trustee bank account on your behalf where all monies in and out of the SIPP must pass through.

You and your adviser will then be issued with a written acknowledgement of your application which will include an acceptance schedule and a cancellation notice (see Can I change my mind once I have established a SIPP?) IPM will then commence work on your behalf as directed by you or your adviser.

Who is my trustee bank account established with?

Upon establishment of the SIPP, IPM will open your own designated Metro Bank account. This account will be in the name of IPM Personal Pension Trustees Limited but will have your membership number in the account in order to identify that the monies in the account are being held for your benefit.

This account pays interest on a monthly basis. The level of interest varies, you can find out the current rate of interest payable on the Metro trustee bank account [here](#). 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. 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. You are also able to hold cash with any other bank that will accept SIPP deposits. While IPM does not make any additional charge for this, your Metro account will remain open at all times as all monies in and out of the SIPP most pass for this for our reconciliation purposes.

Although statements are not automatically provided for the trustee bank account you are able to view the balance of these accounts online via IPM's online access facility. Please visit our website www.ipm-pensions.co.uk, go to the Online Access area and follow the on screen instructions to register. Your financial adviser is also able to view these balances via a separate login.

Is the SIPP right for me?

IPM is not regulated to provide financial advice. Before applying for membership of the SIPP, IPM strongly recommends that you contact an independent financial adviser to see if the SIPP suits your individual needs.

IPM will not provide assistance in making a decision whether or not to transfer from one pension scheme to another. Before embarking upon any form of financial undertaking such as pension planning, IPM strongly suggests that you seek independent financial advice. Transfers from occupational pension schemes will not be accepted unless you have taken independent financial advice.

Am I eligible to establish a SIPP?

There are no eligibility criteria to meet if you wish only to transfer existing pension benefits from a UK registered pension scheme to the SIPP. However if you want to pay contributions into your SIPP you are only eligible to receive tax relief subject to the appropriate limits (see contributions section) providing that you:

- are below the age of 75 when the contribution is paid
- satisfy the 'relevant UK individual' criteria

What is a Relevant UK Individual?

You satisfy the Relevant UK Individual criteria providing that you meet one of the following:

- you are resident in the UK for tax purposes
- you have relevant UK earnings in the current tax year*
- you were a UK resident sometime in the previous five tax years* and when you established your SIPP
- you, your spouse or civil partner has earnings from overseas Crown employment subject to UK tax

* Note: a tax year runs from 6 April of one calendar year to 5 April of the next.

5 GENERAL QUERIES ON THE IPM SIPP (CONTINUED)

Can I change my mind once I have established the SIPP?

Along with confirmation that your SIPP is established with IPM, you will receive a notice detailing your cancellation rights.

You will have 30 calendar days from the issuance of this cancellation notice during which you have the right to change your mind and send the cancellation notice back to IPM. Your SIPP will then be cancelled. During the cooling off period we would strongly suggest that you carefully consider the suitability of making any investments because of the associated additional costs that will undoubtedly be incurred if you subsequently decide to change your mind.

Note: if you do change your mind and cancel your SIPP then work may have already been undertaken by IPM to arrange the transfer of existing benefits to the SIPP. Any monies received in this respect will then have to be returned to the previous scheme provider if you cancel the SIPP. This could result in a decrease in the value of your funds due to either charges being incurred or movement in the market your monies were previously invested into.

Can IPM give me the additional support I need?

Our Vulnerable Client Policy has been designed in order to ensure we have a strong focus on understanding members' needs. It provides an internal framework for us to follow when supporting vulnerability. We encourage members to seek additional help when they need it and in turn our administration team will provide the appropriate support.

6 CONTRIBUTIONS

Can I contribute to the SIPP?

Yes but you will only receive tax relief on the contribution if you are below the age of 75 and are a relevant UK individual (see 'What is a Relevant UK Individual').

How much can I contribute?

In each tax year you are able to contribute and receive tax relief on:

- up to £3,600 (including tax relief) regardless of your earnings
- OR
- up to 100% of your relevant UK earnings for the tax year concerned (including tax relief) or the annual allowance if lower

These limits apply to contributions made to all pension arrangements you have, not just your SIPP. All personal contributions paid to the SIPP are paid net of basic rate tax, currently 20%.

The annual allowance is a limit on all contributions made on your behalf to all registered pension schemes in any one tax year. The current annual allowance is £60,000. In some instances, it may be possible to carry forward unused annual allowance from previous tax years. These limits apply to all contributions made to all pension arrangements of which you are a member, not just your SIPP. Additionally, when considering what contributions to pay, you need to take into account the start and end date of your pension input period (PIP) as this does not always align with the tax year. For more information on what is deemed a Pension Input Period please see your financial adviser.

For individuals with a certain level of earnings, there is a tapering of the annual allowance which reduces the level of tax relievable contributions that can be made. From 2023/24, any individual with an 'adjusted income' of over £260,000 will see their annual allowance reduce by £1 for every £2 their 'adjusted income' is over this amount. The lowest the tapered annual allowance can reduce to is £10,000, where an individual has an 'adjusted income' of £360,000 or more. 'Adjusted income' is all taxable income including any pension contributions made by an employer.

Example: if an individual has earnings of £210,000 an employer contribution of £60,000 would give rise to an annual allowance tax charge, as the total adjusted income for this individual would be £270,000, thus reducing the individual's annual allowance by £5,000 to £55,000.

Note: if you are a member of another pension scheme, including a defined benefits arrangement such as a final salary scheme, as well as the SIPP then the benefits accrued in this arrangement need to be taken into consideration when calculating your maximum contribution for a tax year. Please consult your financial adviser for further information.

Can my employer contribute to the SIPP?

Your employer is able to make contributions to your SIPP and is not restricted to 100% of your salary. Employer contributions are made as a gross payment.

Example: If your earnings for the current tax year are £40,000, your employer could make contributions for more than this amount without incurring a tax charge. Please note, however, that the annual allowance limit still applies to all contributions made on your behalf. So in this example you could only make a contribution of £20,000 before you exceed the current year's annual allowance.

Any contributions whether employer or employee in excess of the annual allowance will result in a personal tax charge.

Do I have to contribute to my SIPP?

No. You can establish the SIPP with a single transfer from an existing pension scheme.

6 CONTRIBUTIONS (CONTINUED)

How do I make a contribution to the SIPP?

IPM is happy for you to make a contribution using a number of methods:

- Sending a cheque to IPM's offices made payable to 'IPM Personal Pension Trustees Limited – your membership number'
- Establishing a standing order for regular contributions to your SIPP
- Arranging a bank transfer to IPM

If you are paying a contribution when setting up your SIPP, the details of the contribution you are intending pay can be confirmed on the application form. Payment of additional contributions throughout the lifetime of the SIPP will need the completion of an additional contribution form.

When making a contribution to your IPM SIPP by bank transfer, IPM will also require evidence of the payment being made to your trustee bank account for anti-money laundering purposes. This can be provided by your financial adviser, or by forwarding to IPM a copy of the transaction confirmation for the payment.

When an employer is making a contribution to your SIPP for the first time, IPM will require further documentation in order to verify the source of funds before payment can be made.

Note that until IPM's paperwork requirements have been met it may not be possible to formally deem a contribution has been received and for further action to be taken with the monies in the SIPP.

What tax relief is my contribution able to receive?

Personal contributions are paid net of basic rate tax (20%) and IPM reclaim this from HMRC on your behalf. If you are a higher rate tax payer then you may receive an additional 20% or 25% where appropriate.

Example: if you make a personal contribution to the SIPP of £8,000 then your SIPP will receive £2,000 basic rate tax relief directly from HMRC. If you are a 40% tax payer you will be entitled to an additional £2,000. See section below on who reclaims tax relief.

When an employer is making a contribution to your SIPP for the first time, IPM will require further documentation in order to verify the source of funds before payment can be made.

Note that until IPM's paperwork requirements have been met it may not be possible to formally deem a contribution has being received and for further action to be taken with the monies in the SIPP.

Where does my money go?

All contributions paid into the SIPP by you or on your behalf will be placed in your trustee bank account and will remain there until we receive a written instruction from you or your adviser to make investments and / or pay benefits.

Who reclaims the tax relief on my behalf?

For all contributions eligible to personal tax relief, IPM will make a reclaim on your behalf of 20% of your contribution value directly from Her Majesty's Revenue & Customs (HMRC)

If you are a higher rate tax payer, you can reclaim the additional 20% or 25% to which you are entitled through your self assessment tax return. This is your responsibility and will be dealt with outside of the SIPP.

How long will it take for IPM to receive my tax relief?

Dependent upon receipt of the contribution, the tax reclaim process typically takes six to eight weeks to be received. This will need to be taken into consideration when making preparations for investments and taking benefits from the SIPP.

Can I amend the amount I pay as a regular contribution or stop all together?

Yes – without charge. The SIPP offers you the flexibility to make contributions as frequently as you wish and of any amount although if you contribute in excess of the prescribed limits then tax relief may not be available.

What is a Pension Input Period?

A Pension Input Period (PIP) is the period of time (usually a year, but this can be shorter or longer especially for the initial PIP) during which a record of all contributions paid into the pension arrangement on your behalf is recorded. It is the total of all contributions received during the PIP that is tested against the annual allowance.

What is the PIP for my IPM SIPP?

If you have never made a contribution to your IPM SIPP, then your SIPP will not have a PIP. The date that your first contribution is paid into your SIPP will be the date that your first pension input period starts. This will then automatically finish at the end of that tax year. Your second PIP will be in line with future tax years.

Example: If you made your first contribution to your IPM SIPP on 9 January 2017 then your first PIP would finish on 5 April 2017. Your next PIP would then start on 6 April 2017 and finish on 5 April 2018.

Can I amend my PIP?

No. It was possible to amend a PIP before July 2015 however, as explained above, your first PIP will now start on the date of the first contribution to your SIPP and then finish at the end of that tax year. Each subsequent PIP will be in line with the following tax years.

7 TRANSFERS

Can I transfer existing pension arrangements to the SIPP?

Yes - you are able to transfer any UK registered pension scheme to your SIPP. There is no minimum amount that you need to have in order to transfer to your IPM SIPP nor is there a restriction on the amount of transfers you can make.

The transfer of existing benefits to a SIPP is not a decision that should be taken lightly and IPM strongly recommends that you seek advice from an independent financial adviser before making the necessary arrangements to transfer. IPM will not accept a transfer from an occupational pension scheme if you have not taken independent financial advice.

Can I transfer benefits from an occupational pension scheme to my SIPP?

Yes, it is possible to transfer benefits from an occupational pension scheme to your SIPP whether this be a defined contribution scheme or a defined benefit (final salary) arrangement. IPM will require further information from you prior to making a decision as to whether they are able to accept a transfer of this nature on your behalf, for example evidence that you have received financial advice specifically in relation to that transfer.

I have taken my Pension Commencement Lump Sum from an existing arrangement and currently receiving income from drawdown. Can this arrangement be transferred to my IPM SIPP?

Yes. IPM can accept transfers into your SIPP even though you have commenced drawdown from the transferring scheme, providing that the rules of the transferring scheme permit such a transfer. If you are in capped drawdown, IPM will adopt both your pension anniversary date and the maximum income calculated by your previous pension provider. For more information on maximum income calculations please see 'What can I expect to receive from my SIPP?' on page 8.

Where will the monies received on my behalf be placed?

As with contributions, your monies will be placed into your individually designated trustee bank account pending further instructions from you or your appointed Investment Advisor.

Can I transfer my SIPP away from IPM?

Yes. You are able to leave the Scheme at any time and transfer your benefits to an alternative registered pension scheme.

Please note that IPM will levy an administration fee to cover the cost of arranging the transfer. Please see our Terms of Business and fee menu for details of the amounts. Please also bear in mind that investment managers may take charges for selling or transferring your investments.

8 INVESTMENTS

What can my IPM SIPP invest in?

As IPM do not have panels of investment houses, you are able to work with the most suitable discretionary fund manager, platform, stockbroker or bank that best suits your requirements.

In 2014 the Financial Conduct Authority issued guidelines which impacted the type of investments which can be held in SIPPs. Investment structures were split into two categories: standard and non standard assets. A list of standard assets was published, details of which can be found below. In general IPM is able to accommodate all investment requests into standard assets, subject to the completion of our internal due diligence:

- Cash
- Cash funds
- Deposits
- Exchange traded commodities
- Government and 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
- UK commercial property including agricultural land
- Units in Regulated collective investment schemes

A standard asset must be capable of being accurately and fairly valued on an on-going basis and readily realised within 30 days, whenever required.

IPM will continue to consider investments that do not appear on this list, known as non standard assets, however these will be subject to a thorough due diligence process. As a result of this process IPM reserves the right to not proceed with your requested investment. Please note that in certain circumstances investments originally deemed as standard assets by the FCA could be subsequently deemed as non standard.

In this scenario IPM reserves the right to either carry out further due diligence or not proceed with the investment.

Note: IPM is not authorised to provide investment advice and therefore cannot comment, recommend or confirm whether a particular investment is suitable for your requirements. IPM recommends that all investment decisions should be made with the assistance of an independent financial adviser.

8 INVESTMENTS (CONTINUED)

What happens if I want to make an investment into a non-standard asset?

If the structure of an investment you wish to make does not fall into the standard asset list, you should contact IPM in the first instance to ascertain whether IPM would be prepared to consider the investment for your SIPP. The FCA requires IPM to carry out a thorough assessment of the proposed investment before making a decision as to whether it would be able to proceed with your request. To carry out this assessment process, IPM levies a fee which starts at £600+VAT, there will also be an additional annual fee of £200+VAT should the investment proceed. Note that this fee, or a portion of this fee, will still be due if once the assessment process has commenced you change your mind about wishing to proceed with the investment, we are unable to obtain all the information we are required to by the FCA from the third parties involved in the investment or if once our assessment process has been concluded IPM is unable to proceed with the investment. IPM is unable to give an estimate in the amount of time this process may take as the FCA require the information to be provided by independent third parties. IPM reserves the right to not proceed with any investment request made to us as a result of the information obtained during our assessment process.

What investments will IPM not accept into the SIPP?

Whilst aiming to accommodate all client requirements, there are a number of investments IPM has made the decision not to hold due to the tax charges they may generate and other factors. These investments include:

- unquoted shares
- direct holdings in residential property
- fine wine and antiques
- classic cars
- loans

How can I make my chosen investment?

You can provide an application form directly to IPM with a written instruction for an investment to be made on behalf of your SIPP. This submission can also be made on your behalf by your appointed Investment Advisor provided you have signed, agreeing to the investment. Once IPM has received the instruction to invest along with all accompanying paperwork and assuming there are sufficient funds available within the SIPP, the investment can be made.

The above procedure does not necessarily apply for all investments, for example the purchase of a commercial property. In the event of any investments of this nature, please contact IPM for guidance.

Note: IPM will require the appointment of an investment administrator to oversee the placing and on-going monitoring of any investment made in your SIPP. This role can be performed by your adviser, a stockbroker or an investment management firm regulated by the FCA.

How are my investments held?

All investments made through the SIPP are held in the name of I.P.M. Personal Pension Trustees Limited (the Asset Trustee) and are designated using your unique membership number.

The type of investment you wish to make will determine how the investment is held. For example, for all stocks and shares IPM will insist that these are purchased via a stockbroker who will hold the assets in their nominee account. There are some investment such as Insurance Company Funds / Unit Trust investments that can be purchased and held directly in your SIPP. Please refer to IPM for further guidance on this.

Is the growth of any of my investments within the SIPP subject to Capital Gains Tax?

No. The SIPP is a tax efficient wrapper and this benefit includes being exempt from Capital Gains Tax.

9 RECEIVING BENEFITS FROM THE IPM SIPP

When can I start to draw benefits from my SIPP?

You are able to receive benefits from age 55.

What is required to enable benefit payments to commence?

Before you consider taking benefits IPM would urge you to take financial advice and have all the information you need to understand the implications. The FCA have asked the industry to provide further information to customers where it is not fully evident that they have sought financial advice. This will require IPM to ask you a series of questions around your personal circumstances and we will then issue the appropriate information accordingly. This will include a recommendation that you seek advice from an independent financial adviser and / or other government bodies such as Pension Wise for further clarification and guidance.

What can I expect to receive from my SIPP?

You can nominate some or all of your SIPP fund to be made available to pay you benefits. When you elect to take benefits from your SIPP, you are generally able to take 25%* of the value of the nominated amount as a pension commencement lump sum (PCLS). This will be paid directly to your designated personal bank account. Once you have taken your PCLS, you can then take income from this element of your SIPP, which is now in 'drawdown'. This income withdrawal is known as flexi-access drawdown. Alternatively you can use this fund to purchase an annuity.

You can choose not to take a PCLS if you wish and just receive income from your SIPP. Alternatively you can take your maximum PCLS entitlement and defer drawing the income from your SIPP. These are all important financial decisions and you should seek financial advice before deciding how to take benefits from your SIPP.

There is an upper limit to the amount of PCLS an individual is entitled to. Please see 'Is there a maximum fund from which I can receive benefits?' for further information.

**Note – if you have transferred benefits to your SIPP from an occupational pension arrangement or have applied for transitional protection your PCLS may not be 25%. Please contact your financial adviser for further details.*

What is flexi-access drawdown?

Flexi-access drawdown is the name given to the income you receive directly from your SIPP. Under flexi-access drawdown you are not restricted to a maximum income limit and you are able to request that IPM pay any amount to you from the drawdown element of your SIPP as income.

Once you enter flexi-access drawdown you should be aware of the following:

- Your annual allowance, which is used to measure the level of contributions made to pension arrangements on your behalf, will reduce to £10,000 per annum for defined contribution pension schemes. This is known as the money purchase annual allowance (MPAA)
- You will have 91 days to notify all other pension schemes, of which you are a member, that you have entered flexi-access drawdown via your IPM SIPP. Failure to do so will result in a personal penalty from HMRC

If you are taking a PCLS from a SIPP which had paid benefits to you pre April 2015 it is possible that any subsequent income withdrawal will be treated as capped drawdown (see below What is Capped Drawdown?), unless you specifically request to IPM otherwise. If you are taking PCLS from a SIPP which did not previously pay benefits to you prior to April 2015 you will automatically be treated as being in flexi-access drawdown.

If your SIPP was in flexible drawdown prior to April 2015 your SIPP will automatically be treated as being flexi-access drawdown going forward.

What is capped drawdown?

Where income was being taken from a SIPP pre April 2015, this was done so under capped drawdown rules. Under capped drawdown the income you are able to receive from the drawdown element of your SIPP was restricted to an amount calculated by IPM on your behalf. This maximum annual limit is calculated using figures issued by the Government Actuaries Department (GAD). You are able to elect to receive any amount of income up to this maximum limit, which is generally reviewed every three years. At this point a new maximum annual income limit will be provided to you. Note that following the review the maximum limit may be higher or lower than your previous maximum.

Capped drawdown was available if you elected to receive benefits from your SIPP prior to 6th April 2015. If this is the case then you will remain in capped drawdown until such time as you instruct IPM that you wish to enter flexi-access drawdown. If your SIPP was partially in drawdown prior to April 2015 and you wish to take a further entitlement to PCLS then any income you elect to take will be treated as being in capped drawdown unless you notify IPM otherwise. If you elect to receive income in excess of the maximum amount calculated by IPM that you are permitted to take during any one pension year then you will automatically be converted from capped drawdown to flexi-access drawdown.

Can I take an uncrystallised funds pension lump sum (UFPLS) from my IPM SIPP?

An UFPLS payment is a lump sum that can be paid from an element of your SIPP that is not in drawdown. You must notify to IPM that you wish to take a UFPLS of a specific amount and of that amount 25% will be treated as tax free while the remainder will be paid to you as a single income payment.

UFPLS cannot be paid to you if you have a protected amount of PCLS under primary or enhanced protection or any lifetime allowance enhancement. IPM would re-iterate that we strongly advise you to seek financial advice before deciding to take benefits from your SIPP.

How often can I receive income from my SIPP?

The SIPP offers you the flexibility to receive income on a monthly, quarterly, half annual, annual or on an ad-hoc basis; note that additional fees may apply where excessive ad-hoc payments are requested. You are also able to amend the frequency and the amount of income you receive at anytime providing, if you are in capped drawdown, you do not exceed the maximum annual pension you are entitled to in any one pension year. Please note that IPM makes all income payments so that these reach your bank account on the last working day of the month.

Is the income from my SIPP subject to tax?

Yes. With the exception of the pension commencement lump sum, all income from the SIPP will be subject to pay as you earn (PAYE) and is calculated by reference to your tax coding. The tax on income received from the SIPP is deducted at source and paid to HMRC on your behalf. Note that the first income payment made to you will be taxed at the emergency rate; this will then trigger a coding notice from the tax office to be sent to IPM which can be used on all future income payments.

9 RECEIVING BENEFITS FROM THE IPM SIPP (CONTINUED)

Is there a maximum fund from which I can receive benefits?

While there is no maximum fund value from which benefits can be paid, when you elect to take PCLS from your SIPP IPM will be required to test your benefits against the Lifetime Allowance (LTA). The LTA was an upper limit on all pension savings an individual was entitled to, any amounts over which were subject to a tax charge known as the LTA charge. The LTA charge was removed from 6 April 2023. However the maximum PCLS an individual is able to take across all pension benefits is limited to £268,275, unless you have protection from the LTA before 15 March 2023.

What happens when I reach age 75?

When you reach age 75 you should be aware of the following in regards to your SIPP:

- any contributions post age 75 will not be eligible for tax relief
- you are not required to take your pension commencement lump sum prior to your 75th birthday
- any benefits paid from your SIPP in the event of your death could be subject to tax; please see What happens if I die after my 75th birthday?
- if you are in capped drawdown, your maximum income will be reviewed on an annual basis as opposed to three yearly
- IPM is required to check that your pension benefits, from all sources, do not exceed the Lifetime Allowance.

If I retire from my pension scheme, does this mean I have to retire from my employment?

No. You are able to continue day to day employment and receive benefits from your SIPP. There is no link between retirement in your SIPP and your employment.

What other options do I have?

Should you feel that drawdown is not the right option for you, you have the option of purchasing an annuity with an insurance company.

Note: the decision of when to draw benefits from your SIPP should be given very careful consideration. As with all major decision concerning your SIPP, IPM recommend that you seek advice from an independent financial adviser before any action is taken.

What is Pension Wise?

Pension Wise is a service which has been put in place by the Government to help people understand the flexibility available when taking benefits from pension schemes after April 2015.

Pension Wise offers free, impartial guidance that can help you understand the options available to you when you decide to take benefits from your pension arrangements. You are able to access the guidance online, over the phone from the Pension Advisory Service and face to face at your local Citizens Advice Bureau at no cost. It is important to note that Pension Wise only offers guidance and not full, tailored financial advice.

IPM strongly recommends you visit the Pension Wise website before making any decision regarding taking benefits from your pension arrangements www.pensionwise.gov.uk

10 DEATH BENEFITS

What happens if I die before my 75th birthday?

Should you die before your 75th birthday then generally your entire SIPP can be distributed to your nominated beneficiary(s) tax free. Please note that IPM will still test the value of your benefits against the LTA.

Benefits can be distributed in one of two ways:

- The value of your SIPP can be paid out as a lump sum(s) to your nominated beneficiary(s)
- If you have elected to do so, IPM is able to provide your nominated beneficiary(s) with a drawdown option using the benefits held within your SIPP. This is done by IPM moving the proportion of your SIPP earmarked for them to their own SIPP. Your nominated beneficiary(s) then has the flexibility to take lump sum payments from their SIPP as and when they wish, regardless of their age

Please note there is no test against the LTA if your benefits are being paid to a registered charity.

What happens if I die after my 75th birthday?

In general, the same two options are available to you and your nominated beneficiary(s) as if you were to die before your 75th birthday. However the death benefits are treated differently for tax purposes:

- There will be no test against the LTA before your death benefits are distributed
- Any payment to your nominated beneficiary(s), whether this be as a single lump sum or under the drawdown option, will be subject to tax at the recipient's marginal tax rate

Note: no tax will be due on your benefits if these are being paid to a registered charity.

Note: in order to avoid inheritance tax the recipient of death benefits must be at the discretion of the SIPP Operator. IPM will therefore ask you to provide a nomination of beneficiaries when you set up the SIPP outlining who you would like IPM to consider distribution death benefits to.

11 WHAT OTHER INFORMATION IS AVAILABLE CONCERNING THE IPM SIPP?

As well as this key features document, you can expect to receive the following from IPM when requesting an application pack:

- Terms of Business
- Fee Menu
- IPM Application Form
- Investment Advisor Agreement
- Investment Administrator Agreement

Other documents including a copy of our Trust Deed and Rules, Benefit Payment Request form and our property purchase pack are available upon request or via our website.

IPM reserves the right to amend our Terms of Business or any other documents we may issue. Should this affect you, we will contact you.

Office hours are 8:30am – 5pm Monday to Friday. Please note that IPM does not operate a call centre approach and we aim to turn all correspondence around in 24-48 hours. This may be longer, dependent on the nature of the work involved.

You can contact IPM at Cambridge House, Campus Six, Caxton Way, Stevenage, Hertfordshire SG1 2XD, call us on 01438 747 151 or email us at info@ipm-pensions.co.uk

12 DATA PROTECTION

As Data Controller responsible for determining why and how personal data is processed, I.P.M. SIPP Administration Limited is obligated under the General Data Protection Regulation (GDPR) to ensure that all processing of personal data is done so lawfully, fairly and transparently.

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

- **The processing of personal data is necessary for the performance of a contract** – IPM can only provide the services of a pension scheme trustee and administrator if it can identify and communicate with the scheme member
- **The processing of personal data is necessary to comply with a legal obligation** – anti-money laundering regulations compel IPM to verify a member's identity and carry out appropriate background checks, and IPM is also bound by reporting requirements and other obligations set by HM Revenue & Customs, the Financial Conduct Authority and other agencies such as law enforcement
- **The processing of personal data is necessary to protect a data subject's 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
- **The processing of personal data is necessary to pursue IPM's legitimate interests** – if a member complains or instigates legal proceedings then IPM is entitled to investigate the grievance in order to defend itself which may require the processing of personal data, similarly IPM reserves the right to pursue a Member for unpaid fees or other sums legitimately owed to it

IPM will not process any personal data which cannot be justified on the above grounds. Nor will personal data obtained on a legitimate basis be subsequently used for purposes which are irrelevant to the services IPM provides or which cannot be justified by any other lawful reason.

The purposes for which IPM processes personal data are outlined in the Privacy Notice which can be found in our Terms of Business and will be provided later when additional personal data is required for a service to be provided. The Privacy Notice explains why IPM needs to obtain your personal data, the type of personal data it is necessary for us to have, how the data is used and shared and the lawful basis for doing so, your rights as a data subject under the GDPR, how long your personal data will be retained by IPM, the identity of the Data Protection Officer for IPM and the details of the UK supervisor authority on data protection. This information is provided to ensure that you have full control over what happens to your personal data.

If in due course you transfer your SIPP away from IPM or terminate your relationship with us, we will retain your personal data for up to 10 years before destroying it, unless there is a lawful reason to keep it for any longer. During this retention period the processing activity will be restricted to storage and access will be restricted to circumstances where IPM has a legitimate need to use it.

13 COMPLAINTS

How do I make a complaint?

If you have any cause for complaint about the service that you have received in respect of the administration of your SIPP, please write in the first instance to the Managing Director of I.P.M. SIPP Administration Limited at our registered address. We have a leaflet which details our complaints procedure; if you would like a copy please ask.

Should you feel that your complaint has not been handled in a satisfactory manner then you are able to contact the Financial Ombudsman Service at the following address:

The Financial Ombudsman Service
Exchange Tower, London
E14 9SR

Phone: 0845 080 1800/ 020 7964 1000

Email: complaint.info@financial-ombudsman.org.uk

Website: www.financial-ombudsman.org.uk

Complaining to the Ombudsman does not affect your legal rights.

When you receive advice from a qualified financial adviser, they should recommend a product that is suitable for you. You have a legal right to redress if, at any time, it is shown that you have bought a recommended product that was not suitable for your needs at that time. Any redress would be decided by the Financial Ombudsman Service.

I.P.M. SIPP Administration Limited is authorised and regulated by the Financial Conduct Authority



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