

SIPP

Benefits guide

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The Financial Conduct Authority is a financial services regulator. It requires us, AJ Bell Management Limited, to give you this important information to help you to decide whether our AJ Bell Investcentre SIPP is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

1. Introduction

This guide has been designed to help you make the right choices when deciding how to access your SIPP.

It explains:

- the options available to you
- the benefits and risks associated with those options
- how you can let us know which option you have chosen
- what happens next
- what happens to your benefits when you die

2. SIPP benefits - the basics

Your SIPP provides you with the flexibility to choose the age, after reaching 55 (age 57 from 6 April 2028), at which you want to start accessing your pension. Once you have made this choice you can choose to draw a pension from your SIPP through:

- **income drawdown** – also known as flexi-access drawdown – which allows you to take a 25% tax-free lump sum and leave the rest of your pension invested, to draw income from as you choose and / or
- **taxable lump sums** – also known as ‘uncrystallised funds pension lump sums’ (or ‘UFPLS’) and / or
- **the purchase of a guaranteed lifetime pension** – known as an annuity – from an insurance company.

If you choose drawdown or an annuity, you can usually also receive a tax-free lump sum – also known as a ‘pension commencement lump sum’ – from your SIPP. The lump sum will normally be 25% of the value of the fund being used to provide your benefits, although this may vary if you have registered with HM Revenue & Customs (HMRC) for protection of your benefits.

If you choose taxable lump sums, 25% will be tax-free with the remaining 75% subject to Income tax.

When considering your options, you should be aware that this may have an effect on the amount you can contribute to your SIPP. Before you access your pension, the annual limit on contributions is £60,000. Once you have flexibly accessed your pension, the amount you can contribute to money purchase pensions, including your SIPP, drops to £10,000. You flexibly access your pension by taking a taxable lump sum, an income under flexi-access drawdown or a flexible annuity. If you only take a tax-free lump sum and no income from drawdown, the limit on contributions is not affected.

If you choose to take income drawdown from your SIPP, your pension fund can remain invested in a tax-efficient manner beyond your retirement.

Investments held within your pension grow free from income tax and capital gains tax.

Both flexi-access drawdown and the taxable lump sums allow you to take as much or as little income from your SIPP as you wish. This allows you to tailor your income to your immediate circumstances.

When considering the level of income to take, you should consider whether it will be sustainable for the rest of your life and how much tax you will have to pay on the income.

If you started drawdown before 6 April 2015, you may be in ‘capped drawdown’. Under capped drawdown the amount of income you can receive each year is subject to limits set by HMRC. You can switch from capped to flexi-access drawdown at any point but should remember that this will mean the amount you can pay into your SIPP will drop from £60,000 to £10,000 a year.

If you choose to purchase an annuity, your pension fund is passed to an insurance company which converts it into a pension income payable to you for the rest of your life.

You can choose an annuity that only provides a pension for you, or you can choose one that also provides a pension for your spouse or partner after you die. You also have the choice of whether you want your pension to remain level throughout your retirement, whether you want it to increase as you get older, or whether you want to allow for payments that can decrease over time. This may be useful if you have other sources of income that will only become payable at a later date.

These choices will affect the level of your initial and ongoing pension. Further information will be available from the insurance company and may also be obtained from your financial adviser. As we cannot give you advice, we recommend that you contact your financial adviser to discuss matters further. If you need help finding a suitably qualified financial adviser in your area, the following websites may prove useful.

register.fca.org.uk/directory/s

unbiased.co.uk

vouchedfor.co.uk

moneyadvice.service.org.uk

2.1 Annuity, income drawdown and taxable lump sums – the commitments and risks

If you choose to access your SIPP using either drawdown or taxable lump sums, your commitments will be:

- to choose an initial income level suitable for you;
- to determine the most appropriate investment strategy for you;
- to review your investment strategy regularly;
- to regularly review your income level and whether to continue accessing your pension at the same rate (or purchase an annuity);
- to comply with our terms and conditions and pay the SIPP charges set out in the charges section of this document and on our website: ajbellplatinum.co.uk; and
- to notify us of any changes to your personal circumstances that might affect your SIPP, particularly those affecting your eligibility to receive benefits.

The risks are that:

- your pension fund will remain invested and the value of the underlying investments could fall as well as rise and is not guaranteed; this may reduce or increase the level of pension you can take;
- the income you take from your SIPP may not be sustainable, particularly if investment returns are low; the higher the income you take, the greater the chance that it will reduce in the future. If your SIPP runs out of funds, it could leave you relying on other sources of income for the rest of your retirement;
- payments you take from your SIPP are subject to income tax; you may have to pay a significant amount of tax if you make large withdrawals in a short period of time;
- cash and investments held within your SIPP benefit from significant tax advantages when compared with cash and investments you hold outside pensions;
- benefits available to your beneficiaries from your pension following your death after you have reached age 75 are subject to tax charges;
- the pension you receive from your SIPP is not fixed or guaranteed for life; if security of income is important to you, then you should consider taking an annuity;
- not buying an annuity may result in the annuity available to you at a later date being lower;
- unlike purchasing an annuity, there is no possibility of receiving a cross-subsidy from the funds of annuitants who have died;
- if you have a small SIPP and no other assets or income to fall back on, the financial impact of these risks may be greater;

- you will miss out on the possibility of enhanced income that may be offered by an annuity if you are in ill health; and
- if you place any part of your SIPP in drawdown, you will not be eligible to receive a serious ill-health lump sum from the drawdown fund.

If you choose to purchase an annuity from your SIPP, your commitments will be:

- to decide whether it is the right time to purchase an annuity or whether delaying the purchase might result in a higher annuity;
- to shop around and make sure that the type of annuity and options you choose are right for you;
- to consider whether you wish to provide a pension for your spouse or partner after your death;
- to check whether any of your circumstances mean you qualify for an enhanced annuity;
- to consider whether you wish to purchase an annuity that will increase over time, one which stays level, or one which allows for payments to decrease over time; your choice will have an impact on the level of payments you receive at the start of your annuity and how the value of these is affected over time by inflation; and
- to bear the underlying expenses of the insurance company as implicitly contained in the annuity rate.

The risks are that:

- your decision to purchase an annuity, and the type of annuity you choose, are one-off decisions that cannot be reversed. Your circumstances may change in the future, meaning your choice of annuity is no longer right for you;
- the pension available to you from the annuity market may be low when you choose to purchase the annuity;
- you are not able to transfer your benefits from one insurance company to another once an annuity has been purchased;
- you may not benefit from future growth in your fund after you have purchased an annuity;
- your date of death may mean you are cross-subsidising the pension being paid to annuitants who live longer than you; and
- annuity rates vary continuously as a result of a complex set of factors. This makes the timing of your annuity purchase important.

3. Your benefits options

3.1 Lump sums

Tax-free lump sum ('pension commencement lump sum')

One of the retirement benefits available from your SIPP is a lump sum (currently tax-free). This is sometimes known as a 'pension commencement lump sum'.

You can have a tax-free lump sum up to the lower of:

- 25% of the value of the fund you use to provide your benefits; or
- your unused lump sum allowance; or
- your unused lump sum and death benefit allowance.

You may be able to receive a lump sum greater than this if you have registered with HMRC for protection of your fund or lump sum rights. If you hold lump sum protection, when you decide to access your pension you will be asked to provide details of the protection you hold, together with a copy of your protection certificate.

Taking a tax-free lump sum and no income does not restrict the amount you can contribute to your SIPP. However, you cannot take a tax-free lump sum with the intention of using some or all of it to fund a large increase in pension contributions. This is known as 'recycling' your lump sum and will result in significant tax charges being imposed on the value of the lump sum.

Taxable lump sum (also referred to as 'uncrystallised funds pension lump sum')

You also have the option of taking unrestricted lump sums from any part of your SIPP that you have not previously accessed, subject to the lump sum allowance and the lump sum and death benefit allowance.

This means you can take up to 100% of your pension as a lump sum, with 25% tax-free and the balance taxed at your marginal rate of income tax. You can take one-off payments whenever you like. Note that it is only the 25% tax-free element that counts against your allowances.

Any funds left in your pension after the lump sum has been paid out will remain invested for you to take further lump sums or income in the future.

Once you have accessed your pension in this way, the amount you can contribute to money purchase pensions, including your SIPP, will be reduced to £10,000 a year.

3.2 Income drawdown

If you choose to take a tax-free lump sum from your SIPP, the remaining fund will be used to provide you with a pension. If you do not choose to purchase a guaranteed lifetime pension (also called an 'annuity', see section 3.3 below for more details), the funds remaining in your SIPP will be used to provide you with income drawdown benefits. These benefits will be provided either as flexi-access drawdown or, if you hold drawdown benefits that started before 6 April 2015, capped drawdown. The differences between these are explained in more detail below.

Drawdown pension: flexi-access drawdown

With 'flexi-access drawdown', your fund remains invested and you draw a pension from your fund as and when you choose. There is no minimum or maximum level of income, so you can elect to receive a 'nil' pension, a regular fixed amount, or take as much of your SIPP out ad hoc as you want to.

Payments you receive from a drawdown pension are subject to income tax. You should make sure that you understand how much tax you may have to pay when deciding how much pension to take. Taking a high level of pension in a short period of time may mean you have to pay more tax than you were expecting.

If you decide to take a pension, you can choose to take this regularly, or you can choose to take one-off payments to suit your own circumstances. This gives you the flexibility to vary, or stop, the pension you take from your fund to suit your immediate requirements.

Taking any pension under flexi-access drawdown will reduce the amount you can contribute to your SIPP and other money purchase pensions each tax year to £10,000.

We do not allow the purchase of short-term annuities from your drawdown fund, but you can choose to purchase a lifetime annuity from your drawdown fund at any time.

Drawdown pension: capped drawdown

If you started your drawdown pension before 6 April 2015, you may be in a different form of drawdown pension called 'capped drawdown'. This works in a similar way to flexi-access drawdown, but the amount of pension you can take is subject to a maximum limit set by HMRC.

The maximum level of annual income is currently set at 150% of the Government Actuary's Department relevant annuity rate. This varies depending on your age and returns from Government securities. It is applied to the value of your pension fund at the date the fund is first used to provide drawdown pension and at each subsequent review.

The maximum pension available from your drawdown fund will be reviewed every three years until you reach age 75, and annually from then on. Until you are 75 you can elect to have the maximum pension reviewed at any anniversary of the date your fund was put into income drawdown. You must tell us that you wish to do this before the relevant anniversary.

You can move further funds into your capped drawdown fund. Whilst you remain in capped drawdown you retain the option of contributing up to £60,000 to your SIPP each tax year. You can move from capped drawdown to flexi-access drawdown at any time simply by completing our 'Capped to flexi-access drawdown conversion form'.

3.3 Lifetime annuity

Purchasing a guaranteed lifetime pension, or a 'lifetime annuity', involves passing your pension fund to an insurance company which, in return, agrees to provide a pension income to you for the rest of your life and, if you choose, a pension income for your spouse or partner when you die.

In general, annuities are not subject to HMRC-set limits on the level of pension you can take each year. Instead each insurance company decides what level of pension it is willing to provide to you depending on your circumstances, the amount being used to purchase the annuity, and the type of annuity you select. The annuities offered by insurance companies can vary considerably, so it is important that you shop around to obtain the best deal.

You will need to make a number of choices regarding the type of annuity you wish to purchase. These will include the following.

- **Level, escalating or decreasing pension income.** Choosing an escalating annuity will help to protect your income against inflation, but because your income will increase in the future, the starting level of the annuity will be lower. There can be substantial differences between escalating and level annuities. When considering this you must balance the option of rising future long-term income levels against lower initial income levels. You should consider factors such as your health, how long you might be receiving a pension, and the long-term effect of inflation. You might want to choose an annuity that allows the income to decrease if you have other income sources payable at a later time.
- **Maximum allowable contributions.** If you do choose an annuity that can decrease in value, the amount you can contribute to your SIPP and other money purchase pensions will be reduced to £10,000 a year. Purchasing a traditional annuity that cannot decrease will not reduce your permitted contributions.

- **The type of escalating annuity.** If you choose to purchase an escalating annuity, you will have flexibility over the level of escalation. You can usually choose for income to increase by a fixed percentage, such as 3% per annum, or by the rate of inflation (RPI). Some insurance companies may restrict the RPI increase to an upper limit. This is called Limited Price Indexation (LPI) and provides protection as long as the long-term rate of inflation is not more than the upper limit.
- **Investment-linked income.** These annuities offer the potential for income to increase if investments go up. This is balanced against the risk that, if investments fall, the annuity income may fall.
- **Single life or joint life.** A proportion of your annuity can be paid on your death to your surviving spouse. This is called a 'joint life annuity'. The level of a spouse's pension is usually expressed as a percentage of your annuity income. The benefits under a single life annuity will end on your death. As the benefits under a joint life annuity could continue for longer than under an annuity on your life alone the level of income will be lower.
- **Guarantee periods.** Provision of a guarantee period means that, if you die during the period of the guarantee, the income due for the remainder of the guarantee will be paid. In some circumstances this may be paid as a lump sum. If not, the income will be paid as a continuing pension.
- **Enhanced annuity.** Depending on your personal circumstances you may be eligible to receive an increased annuity. A number of factors will affect whether this is available to you. Two of the most common are your / your family's health history and where you live.
- **Payment frequency and timing.** If you choose to take your annuity annually in advance, the pension will be lower than if you choose to take your annuity in arrears or monthly.

The FCA's website [Moneyhelper.org.uk/en/tools-and-calculators](https://www.moneyhelper.org.uk/en/tools-and-calculators) allows you to compare the annuities available to you, taking into account the choices mentioned above.

4. Making your choice

Before making your choice, you should consult your financial adviser. You are also entitled to free, impartial guidance on your options for accessing your pension from the Government-backed Pension Wise service, who can arrange an appointment with an independent pensions specialist to talk you through your pension options to help you make an informed decision. You can book an appointment online at [Moneyhelper.org.uk/nudge-public](https://www.moneyhelper.org.uk/nudge-public) or by telephone by calling 0800 100 166. The Pension Wise service is complementary to, but is not intended to replace, full regulated advice.

As we cannot give you advice, we would recommend that you contact your adviser or the guidance service providers to discuss matters further.

If you decide that the time is right to access your pension fund, you must complete the relevant benefit form. Please see the 'Receiving your pension' section below for details of which form to complete.

This tells us how much of your pension fund you wish to access ('crystallise') and how you want to receive payments.

If relevant, you will also be asked to provide us with details of your available lump sum allowance and any protection you may have for those benefits. Before we can pay any of your pension to you, you may need to provide us with evidence of your age. We will advise you if this is the case.

Once the relevant benefit form has been submitted, the next steps will depend on how you have chosen to access your pension.

If you choose to take **flexi-access drawdown** (i.e. take a 25% tax-free lump sum and leave your remaining pension invested to take an income from as you choose), we will work out the level of your lump sum and the value of your remaining drawdown fund and confirm these to you. The lump sum will be paid directly into your nominated bank account and, if you have chosen to take a pension, the payments will be set up in accordance with your instructions.

If you have received a P45 from your previous employment, please forward it to us when you apply to access your pension and where permitted we will use it to apply the correct tax code for your pension. If you do not have a P45, we are legally obliged to use the emergency tax code on a month 1 basis. We will advise our Tax Office, which will in turn contact your Tax Office to confirm your correct tax code. We can only change your tax code if instructed to do so by HMRC. You may wish to contact your Tax Office to expedite the correct tax coding notice.

Once your pension payments have been set up, it is the responsibility of you and / or your adviser to ensure that sufficient cash is held in your SIPP to fund the payments.

If you started to access income from your pension before 6 April 2015 and have not flexibly accessed your pension since then, you may be in **capped drawdown**. Capped drawdown works and is taxed in a very similar way to flexi-access drawdown but the amount of pension you can take is subject to a maximum limit set by HMRC.

Taxable lump sums, or '**uncrystallised funds pensions lump sums**', are lump sums that include a tax-free element and a taxable element. A quarter of each lump sum is tax-free with the remainder of the payment subject to income tax.

Both the tax-free and taxable elements will be paid to you as a single lump sum. As with drawdown, we may need to tax these payments using the emergency code until we receive details of your tax code from your Tax Office.

If you choose to purchase an **annuity**, we will liaise with you and the insurance company so that the annuity can be purchased as quickly as possible. You must provide us with a copy of your annuity quotation so that we can satisfy ourselves that an annuity is being purchased.

Funds must be sent to the insurance company as cash, making it important that you / your adviser arrange the sale of sufficient investments held in your SIPP. Annuity rates change daily and your individual quote will only be guaranteed for a limited period. It can take some time for the proceeds from the sale of investments to reach us. You must consider the time it will take for cash to be available when arranging your annuity.

Where your SIPP holds income-producing investments, such as dividend-paying equities, you must also consider the time it will take for this income to be paid to your SIPP. If you use all of the funds in your SIPP to purchase an annuity and we subsequently receive investment income, it is unlikely that we will be able to pay this across to the insurance company. It is equally important to ensure that all tax relief in respect of contributions and investment income has been paid into the SIPP.

If you are not sure whether the time is right to access your pension, or which option is right for you, you should speak to your financial adviser. The Government's free guidance service – Pension Wise – may also prove useful. You can find it at [Moneyhelper.org.uk/pensionwise](https://www.moneyhelper.org.uk/pensionwise).

5. Receiving your pension

5.1 How often can I take my pension?

Income drawdown

If you wish to receive a regular pension from your SIPP, you can do so monthly, quarterly, half yearly or annually. All regular pensions are paid on the 23rd of the month.

You can also request one-off pension payments, although there is an additional charge for doing so.

Regular pension lump sums

Taxable lump sums are only available on a one-off or ad hoc basis. Regular payments are not available.

Annuity

If you purchase an annuity, the pension frequency will be agreed with the insurance company at the point of purchase.

5.2 Will the payments I receive be taxed?

Income drawdown

Yes. The payments are taxed as pension income under the PAYE system. If you have received a P45 from your previous employment, please forward it to us when you apply to access your pension and where permitted we will use it to apply the correct tax code for your pension. If you do not have a P45, we are legally obliged to use the emergency tax code on a month 1 basis. We will advise our Tax Office, which will in turn contact your Tax Office to confirm your correct tax code. We can only change your tax code if instructed to do so by HMRC. You may wish to contact your Tax Office to expedite the correct tax coding notice.

You will receive an advice slip confirming your gross pension, tax and net pension shortly after each pension payment. We will also send a P60 to you annually, confirming the pension and tax that have been paid in the most recent tax year.

Regular pension lump sums

Three quarters of the lump sum payment is subject to income tax. One-off payments may be subject to emergency rate tax on a month 1 basis.

Annuity

If you purchase an annuity with all or part of your SIPP, the annuity will also be taxed under the PAYE system. The insurance company should give you further information on this.

5.3 How do I reclaim tax that is overpaid?

If you take a one-off payment, it is likely that tax will be overpaid as the tax system treats this as the first of regular monthly payments. When this is the case HMRC will usually automatically correct the tax position at the end of the tax year as part of the normal PAYE process.

Alternatively you can make an in-year claim by completing the relevant form:

If you have emptied your pension fund:

- P50Z if you have no other PAYE or pension income (other than state pension)
- P53Z if you have other PAYE or pension income

If you have not emptied your pension fund, and no other withdrawals are to be made within the tax year:

- P55

5.4 Can I change the level of income I am receiving?

Income drawdown

Yes. You are free to vary the level of payments, or stop taking an income, at any time.

Annuity

If you purchase an annuity you will establish the level of pension with the insurance company at the point of purchase. The level of pension can be set up to remain level or to vary over time.

6. Payments to your beneficiaries after your death

When you die, your remaining funds will be paid out to your beneficiaries. The funds will be paid either as a lump sum or as an ongoing pension.

The options, and tax treatment of those options, are as follows.

6.1 Payments to your beneficiaries after your death available from your SIPP

Payments from your SIPP may be made as a lump sum or provide pension benefits for a beneficiary, either under income drawdown or by annuity purchase.

These payments are payable at the discretion of AJ Bell Management Limited, as the scheme administrator of your SIPP.

You may nominate the individuals you wish to receive benefits, and your wishes will be taken into account. You may complete a new nomination at any time.

Lump sums paid on death are normally free of any inheritance tax but we cannot guarantee that this will be the case.

Payments to your beneficiaries are normally paid tax-free from the funds of individuals who died before age 75, regardless of whether that individual was accessing their pension or not, and can be paid as a lump sum or pension. However, these death benefits are only tax-free when paid as a lump sum if they are within the deceased's lump sum and death benefit allowance. Any excess over the allowance is subject to income tax at the beneficiary's marginal rate. Death benefits paid as a pension are not subject to the lump sum and death benefit allowance.

Where the deceased was over 75, payments to beneficiaries will be taxed at the beneficiaries' marginal rates of income tax. If a lump sum is paid to a trust when death occurs over 75, it will be taxed at 45%.

6.2 Lifetime annuity

The benefits payable to your beneficiaries, if any, will depend on the terms of the annuity contract.

These might include the continued payment of a pension to your spouse / dependant through a joint life annuity, or the payment of a lump sum if your annuity payments are guaranteed.

7. Lump sum allowances and transitional calculations

7.1 Is there a limit on the payments I can receive?

There is no limit on how much of your SIPP or RIA you can convert to income drawdown or use to purchase a lifetime annuity, during your lifetime or on death. However, there are two limits in respect of tax-free lump sums.

The **lump sum allowance (LSA)** – currently £268,275. Pension commencement lump sums and the 25% tax-free element of uncrystallised funds pension lump sums count towards this.

The **lump sum and death benefit allowance (LSDBA)** – currently £1,073,100. Pension commencement lump sums and the 25% tax-free element of uncrystallised funds pension lump sums count towards this. In addition, serious ill-health lump sums paid tax-free before age 75 and tax-free lump sum death benefits paid tax-free before age 75 also count towards it.

Any amounts paid over and above these allowances will be subject to income tax. If you have registered with HMRC for protection of your pension savings, you may have higher allowances.

7.2 How are my allowances reduced if I accessed my pension before 6 April 2024?

The LSA and LSDBA were introduced on 6 April 2024, replacing the previous allowance, which was called the lifetime allowance (LTA) and was set at £1,073,100 in 2023/24. If you took benefits between 6 April 2006 and 5 April 2024, you will have used up some LTA and this will have been expressed as a percentage.

When you first come to take a tax-free lump sum, an uncrystallised funds pension lump or a serious ill-health

lump sum on or after 6 April 2024, having also taken benefits before then, a one-off calculation will take place to reduce your available LSA and LSDBA.

A reduction also takes place if the first tax-free lump sum is a death benefit lump sum and you died before the age of 75.

If you've used more than 100% of your LTA, you will have no LSA or LSDBA available. Otherwise, an amount equivalent to 25% of your LTA usage will be deducted from your LSA and LSDBA.

Furthermore, the LSDBA will be reduced by an amount equivalent to 100% of the LTA used by any serious ill-health lump sums or death benefit lump sums.

7.3 What is a transitional tax-free amount certificate (TTFAC) and can I apply for one?

Some individuals who took tax-free lump sums that come to less than the equivalent amount under the standard calculation could potentially benefit from applying for a transitional tax-free amount certificate (TTFAC). This is most likely for individuals in the following scenarios.

- Those who have taken less than 25% of their pension as a tax-free lump sum (typically in a defined benefit scheme)
- Over 75s who have not taken all their tax-free lump sum entitlement
- Those who took tax-free lump sums between 6 April 2016 and 5 April 2020 when the standard LTA was less than £1,073,100

You can apply to any pension scheme of which you are a member for a TTFAC. You will need to provide written evidence of the tax-free lump sums that you took. If you've died, your legal personal representatives can apply.

Please note that a TTFAC must be applied for in advance of the first time you take a tax-free lump sum from any pension scheme on or after 6 April 2024. Once the TTFAC has been issued, it's irreversible and must be used.

It's important to be aware that you may be worse off with a TTFAC and could end up with a lower LSA and LSDBA than under the standard calculation, so it's important you understand what your LSA and LSDBA would be under each calculation before applying for a TTFAC. We recommend you speak to a qualified financial adviser.

8. Charges

There are a number of additional SIPP charges that may apply when you decide to access your pension.

Set up flexi-access drawdown, including payment of any lump sum benefit	£150	
One-off taxable lump sum payment	£150	
Additional fund designation to an existing flexi-access drawdown or capped drawdown fund	£150	
Income withdrawal, including PAYE*	£15	per month
Income withdrawal reviews	£150	per review
Convert from capped drawdown to flexi-access drawdown	£75	
Annuity purchase	£75	
Close your account through flexi-access drawdown or taxable payment/s**	£250	
Payment of death benefits	Time/cost basis	

All annual charges are payable in advance.

All one-off and transactional charges are payable when we action your request.

VAT is payable in addition on the above charges.

* Payable while you have drawdown funds in your account, including when no income is taken.

** The closure charge will apply where flexi-access drawdown or taxable payments reduce the value of your SIPP below £1,000 within 12 months of opening. We will be entitled to close your account and return the remaining funds to you, after deducting our charges. The closure charge applies to SIPPs opened on or after 6 April 2015. For accounts opened before 6 April 2015, or closed 12 months or more after opening, an account closure charge of £75 will apply. Your insurance company will confirm details of any charges explicitly involved in the provision of your annuity. Typically, the charges for annuities are made implicitly through a reduction in the annuity rates available to their customers.

9. Miscellaneous SIPP questions

9.1 Will taking money from my SIPP impact my state benefits?

Once you (or your partner) are over the qualifying age for Pension Credit, the higher of the actual income you take or your 'notional' income will be taken into account when your state benefits are worked out. Your notional income is an amount equivalent to the income you would have received if you had bought an annuity. This means that taking an income above the level you would have received if you had bought an annuity could reduce the state benefits you receive.

If you take a lump sum from your pension this is taken into account as capital when state benefits are calculated.

If you are under the qualifying age for Pension Credit, the actual money you take from your pension will be taken into account when state benefits are calculated. If you are under the qualifying age and do not take any money out of your pension, your pension pot will not be taken into account.

9.2 Can I cancel my decision to access my pension?

On the first occasion you choose to access your SIPP, you will have the right to cancel this option within 30 days of the date you access your SIPP. You will have to return any lump sum or income that has been paid to you.

You can exercise your right to cancel by writing to us, quoting your name and SIPP reference number, at:

AJ Bell Platinum SIPP
AJ Bell Management Limited
4 Exchange Quay
Salford Quays
Manchester
M5 3EE

Fax: 0345 83 99 061

Email: platinumsipp@ajbell.co.uk

If you do not exercise your cancellation rights, you will not be able to cancel your choice to access your pension at a later date. You will be able to transfer your benefits to another registered pension scheme or purchase an annuity.

Cancellation rights are also available if you purchase an annuity. Your chosen insurance company will provide more details.

9.3 Will you pay any benefits not described above?

Most forms of authorised benefit payment are covered in this benefits guide. We cannot be compelled to make a payment that is not authorised by the Finance Act 2004. Both the recipient of any unauthorised payment and the scheme would be subject to very significant tax charges.

9.4 Can you provide advice regarding my benefit options?

Neither AJ Bell Management Limited nor AJ Bell (PP) Trustees Limited can provide any advice in relation to:

- whether you should buy an annuity, enter drawdown pension or choose taxable lump sums, or defer your benefit decision;
- the level of pension income or lump sums you should take from your SIPP;

- whether you should transfer pension benefits into, or out of, your SIPP;
- any investment, tax or financial services-related matters.

If you need advice you must contact your adviser. Your adviser will provide you with details of the cost of the advice.

As we cannot give you advice, we recommend that you contact your financial adviser to discuss matters further. If you need help finding a suitably qualified financial adviser in your area, the following websites may prove useful:

unbiased.co.uk

vouchedfor.co.uk

moneyhelper.org.uk

You are also entitled to free, impartial guidance on your options for accessing your pension from the Government-backed Pension Wise service, who can arrange an appointment with an independent pensions specialist to talk you through your pension options to help you make an informed decision. You can book an appointment online at Moneyhelper.org.uk/nudge-public or by telephone by calling 0800 100 166. The Pension Wise service is complementary to, but is not intended to replace, full regulated advice.

9.5 Will accessing my pension affect my creditors?

Funds held in a pension are protected from creditors by law. Any monies you withdraw from your pension and hold in a personal bank account or other personal investment will not be protected in the same way. This means that, in the event of you going bankrupt, creditors may be entitled to money you have withdrawn from your pension.

9.6 Can I withdraw benefits to invest elsewhere?

Once you reach the age of 55 (age 57 from 6 April 2028) you can withdraw funds to invest as you wish. However, you should be aware that scams exist. Look out for warning signs such as cold calls, unrealistic returns, being rushed into signing documents and advisers who are not registered with the FCA recommending investments to you.

It is not possible to withdraw funds from your pension before age 55 unless you are in ill health or have a protected pension age. If you are approached by someone claiming a loophole to allow you early access, it is likely to be a scam.

You should also consider the charges that will apply to any alternative investment, and that Income and capital gains tax may be payable, which do not apply to investments held within your pension.

9.7 What if I have a complaint?

Customer satisfaction is very important to us. If you do have any cause to complain about the services provided, there are clear procedures laid down by the Financial Conduct Authority to ensure that your complaint is dealt with fairly. Please contact us in the first instance at:

AJ Bell Platinum SIPP
 AJ Bell Management Limited
 4 Exchange Quay
 Salford Quays
 Manchester
 M5 3EE

Tel: 0345 25 05 609

Fax: 0345 40 89 200

Email: platinumsipp@ajbell.co.uk

If your complaint concerns the administration of your SIPP and you are not satisfied with our response, you may refer your complaint to the Pensions Ombudsman.

The address and contact details for the Pensions Ombudsman are as follows:

10 South Colonnade
 Canary Wharf
 London
 E14 4PU

Tel: 0800 917 4487

Web: pensions-ombudsman.org.uk

Help is also available from MoneyHelper, which can advise you in how to complain, and which may be able to sort the matter out without the need for the Ombudsman to get involved. The address and contact details for MoneyHelper are as follows

Money and Pensions Service
 120 Holborn
 London
 EC1N 2TD

Tel: 0800 011 3797

Web: moneyhelper.org.uk

All other complaints may be referred to the Financial Ombudsman Service free of charge at:

The Financial Ombudsman Service
 Exchange Tower
 London
 E14 9SR

Tel: 0800 023 4567 or 0300 123 9123

Web: financial-ombudsman.org.uk

Making a complaint will not affect your right to take legal proceedings.

9.8 What if I have any further questions?

You must contact us by email at platinumsipp@ajbell.co.uk, or at the following address:

AJ Bell Platinum SIPP
AJ Bell Management Limited
4 Exchange Quay
Salford Quays
Manchester
M5 3EE

IMPORTANT

Full details of the legally binding contract between you and AJ Bell Management Limited are included in the AJ Bell Platinum SIPP terms and conditions, as amended from time to time. A copy of this can be obtained by calling AJ Bell Platinum on 0345 25 05 609.

The law of England and Wales will apply in all legal disputes.

If you would like a copy of this, or any other item of our literature, in large print, Braille or audio format, please contact us on 0345 25 05 609 or by email at platinumsipp@ajbell.co.uk.