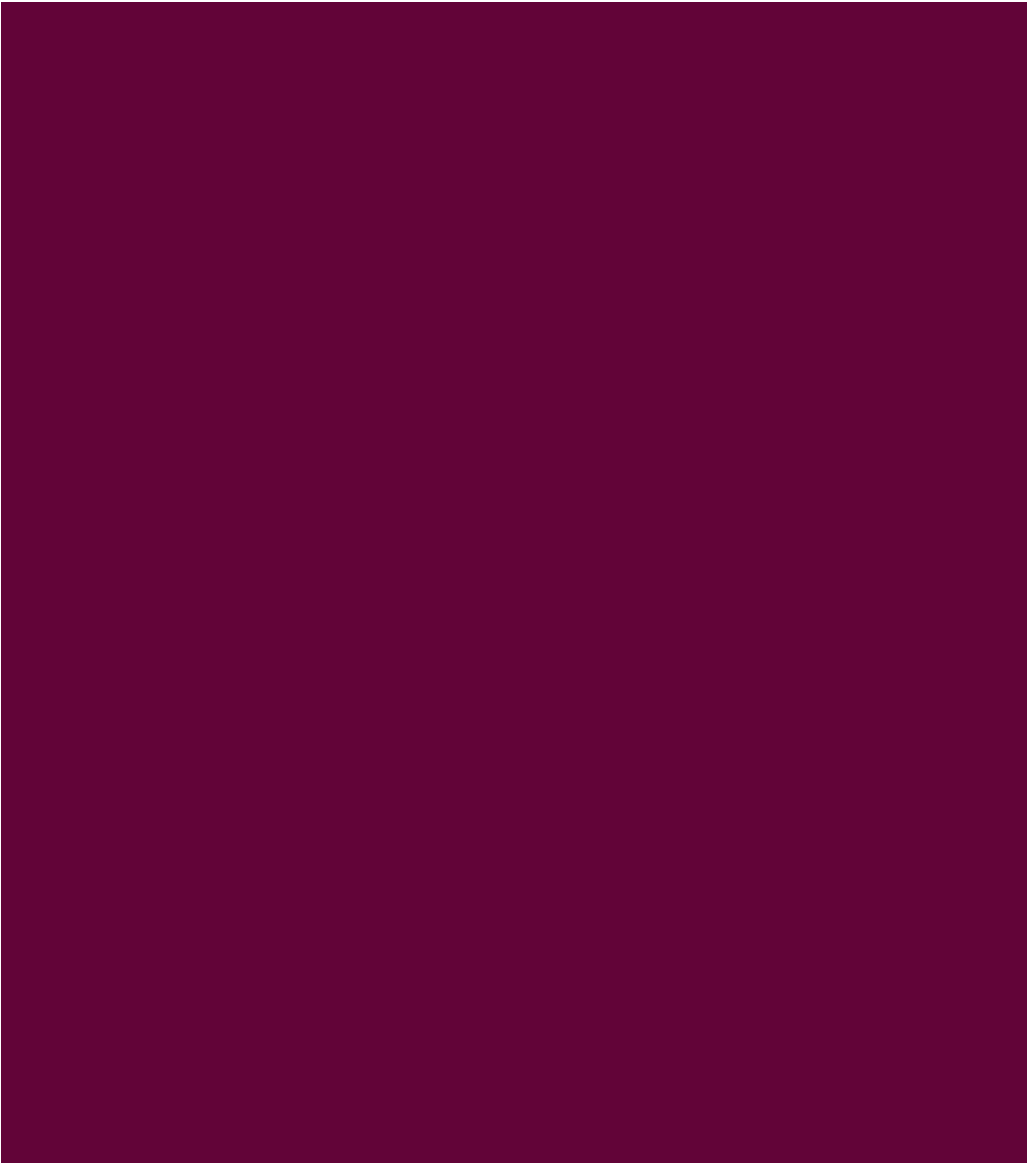


# FAMILY SUNTRUST SCHEME

---

## TERMS & CONDITIONS



---

# CONTENTS

<b>Introduction</b>	<b>04</b>
<b>1. Glossary</b>	<b>05</b>
<b>2. Family Suntrust scheme</b>	<b>06</b>
<b>3. Ownership</b>	<b>06</b>
<b>4. Membership</b>	<b>07</b>
<b>5. Appointed financial adviser</b>	<b>07</b>
<b>6. Communication</b>	<b>08</b>
<b>7. Contributions</b>	<b>08</b>
<b>8. Transfer payments into the scheme</b>	<b>10</b>
<b>9. Transfer payments out of the scheme</b>	<b>10</b>
<b>10. Pooled fund</b>	<b>10</b>
<b>11. Bank accounts</b>	<b>11</b>
<b>12. Investments</b>	<b>12</b>
<b>13. Investment management</b>	<b>12</b>
<b>14. Stock custody</b>	<b>12</b>
<b>15. Commercial property</b>	<b>13</b>
<b>16. Borrowing</b>	<b>13</b>
<b>17. Statements</b>	<b>14</b>
<b>18. Fees and charges</b>	<b>14</b>
<b>19. Adviser charges</b>	<b>16</b>

---

# CONTENTS

<b>20. Realisation of assets</b>	<b>17</b>
<b>21. Member's benefits</b>	<b>18</b>
<b>22. Lifetime annuity option</b>	<b>19</b>
<b>23. Scheme pension option</b>	<b>19</b>
<b>24. Drawdown pension option</b>	<b>20</b>
<b>25. Benefits following death</b>	<b>20</b>
<b>26. Dependant or nominated beneficiaries pension</b>	<b>21</b>
<b>27. Lump sum death benefits</b>	<b>22</b>
<b>28. Court orders</b>	<b>22</b>
<b>29. Taxation of income payments</b>	<b>22</b>
<b>30. How to contact us</b>	<b>23</b>
<b>31. Complaints</b>	<b>23</b>
<b>32. Compensation</b>	<b>23</b>
<b>33. Customer status</b>	<b>24</b>
<b>34. Variations to the terms and conditions</b>	<b>24</b>
<b>35. Winding up of the scheme</b>	<b>24</b>
<b>36. Cancellation rights</b>	<b>25</b>
<b>37. Additional information</b>	<b>26</b>
<b>38. Liability and responsibility</b>	<b>27</b>
<b>Appendix 1: permitted and non-permitted Investments</b>	<b>28</b>

---

# INTRODUCTION

Please refer to section 1 for an explanation of the defined terms.

These **terms and conditions** set out the way in which the **scheme** will be operated. **Your** signed application for membership, or application to take benefits in the form of a **scheme pension** or **drawdown pension**, confirms **your** agreement to these **terms and conditions** and the fees set out in the **guide to fees**.

These **terms and conditions**, together with the documents listed immediately below, form the basis of a legally binding agreement between **us** and **you**:

- any Family Suntrust application forms that **you** have signed or that have been signed on **your** behalf (including, where relevant, any Family Suntrust – Property instruction forms)
- the **Guide to fees** and
- any **adviser charges payment request forms**.

Should there be any conflict between these **terms and conditions** and the documents listed above, these **terms and conditions** will take precedence.

Where **you** and the other **participants** have signed an **adviser charges payment request form**, that document forms a legally binding agreement between **you** and **us** regarding the facilitation of **adviser charge** payments from the **scheme**.

There are circumstances where **we**, the **provider** or the **trustee** do not accept liability for certain aspects of the operation of the **scheme**. Further, there are circumstances where **you** promise to be responsible for and to pay any losses, costs and expenses incurred by **us**, the **provider** and the **trustee**, in respect of certain aspects of the operation of the **scheme**. Please refer to section 38 for further details.

**We** have the right to vary the **guide to fees** and these **terms and conditions** in accordance with section 18 and section 34 respectively.

In making decisions and exercising discretions given to **us** under these **terms and conditions**, **we** will act reasonably and with proper regard to the need to treat **you** fairly.

In addition to the documents that form the basis of the legally binding agreement, the following documents provide important information about the **scheme**:

- Personalised Illustrations
- Family Suntrust Key features document
- Family Suntrust Product guide and
- any other Family Suntrust guide that we may issue from time to time.

The **appointed financial adviser** will provide **you** with a copy of these documents where relevant to **you**.

Please keep these **terms and conditions** and any other materials that **you** receive in relation to the **scheme** in a safe place for future reference.

© Copyright Phoenix Wealth Services Limited 2017. All rights reserved. Not to be reproduced, stored or transmitted in whole or in part in any form or by any means without prior written permission from Phoenix Wealth Services Limited. This document and the information contained in it are supplied solely for the purpose of setting out the conditions of membership of a Family Suntrust Scheme and shall not be used (in whole or in part) for any other purpose.

---

# TERMS & CONDITIONS

## 1. GLOSSARY

The following words and expressions, which appear in **bold**, have the meanings as set out below:

**Advising actuary** means the person(s) or organisation(s) appointed to advise **us** on actuarial matters, and is Phoenix Wealth Services Limited, or any successor appointed, for the time being in accordance with the **rules**.

**Adviser charge** means a fee that **you** and the other **participants** agree to pay the **appointed financial adviser** in return for the advice or related services provided by the **appointed financial adviser** in relation to the **scheme**.

**Adviser charges payment request form** means an instruction document all **participants** have signed to facilitate the payment of any **adviser charges** from the **scheme**.

**Appointed financial adviser** means a professional authorised and regulated by the **FCA** to give financial advice and appointed by **you** in accordance with section 5.1.

**Commercial property** means any land or building that is zoned, designed or intended for use by businesses such as offices, retail, leisure and industrial developments but not 'residential property' for the purposes of the taxable property provisions as defined in paragraphs 7-10 of Schedule 29A of the **Finance Act**.

**Dependant** means in relation to a **member**, a person falling within any of the following categories at the date of their death:

- the **member's** wife, husband or civil partner
- any child of the **member** who has not reached the age of 23
- any child of the **member** who has reached the age of 23 and in **our** opinion is dependent on the **member** because of physical or mental impairment or
- any other individual who in **our** opinion is financially dependent on the **member**, or who is in a mutually dependent financial relationship with the **member** or is dependent on the **member** because of physical or mental impairment, and has been accepted under section 4.6 (Membership) to receive benefits in the form of a **drawdown pension** (see section 24), and who has not subsequently died or left the **scheme**.

**Deposit account** means the account described in section 11.

**Discretionary fund manager ('DFM')** means an investment manager who has been given complete discretion to manage and invest all or part of the **pooled fund** (see section 13).

**Drawdown pension** means a form of income withdrawal payable, in accordance with the **Finance Act**, direct from **your individual benefit fund**. Please see section 24 for further details.

**Drawdown pension fund** means, in relation to a **participant**, that share (if any) of the **pooled fund** that **we** determine in accordance with section 10.2 is from time to time attributable to the provision of **drawdown pension** for the **participant** and that has not subsequently been applied towards the provision of any other benefit.

**Finance Act** means the **Finance Act** 2004 as amended from time to time.

**Financial Conduct Authority ('FCA')** means the government agency that regulates financial services in the United Kingdom (as required by the Financial Services and Markets Act 2000) or any successor or replacement authority or organisation responsible for the regulation of financial services from time to time.

**General fund** means any part of the **pooled fund** which is not an **individual benefit fund** or the **scheme pension fund**.

**Guide to fees** means the document called the Family Suntrust – Guide to fees, as amended from time to time.

**Individual benefit fund** means in relation to a **participant** the aggregate of their (i) **uncrystallised fund** and (ii) **drawdown pension fund**.

**Lifetime annuity** means an annuity contract purchased from an insurance company, which provides an income for life. Please refer to section 22 for further details.

**Member** means an individual who has been granted membership of the **scheme** under sections 4.1 to 4.5 (Membership), and who has not subsequently left the **scheme**.

**Minor** means an individual under the age of 18 years.

**Nominated beneficiary** means an individual nominated by the **member** or **us** to receive benefits after their death who does not qualify to be a **dependant** of the **member**. It also means an individual nominated by a **dependant** or **nominated beneficiary** to receive benefits after their death or an individual nominated by **us** where no such nomination was made by the **dependant** or **nominated beneficiary**.

**Nominee company** means a company controlled by a custodian whose sole purpose is to hold legal title to assets on behalf of the custodian.

**Participant** means a living **member** or **dependant** who either has an **individual benefit fund** or is in receipt of a **scheme pension**. A person is not a **participant** if the only benefits which they receive under the **scheme** are:

- in the form of a **lifetime annuity** and/or
- **scheme pension** payments representing the remainder of any fixed payment period following the death of a **participant**.

**Pension savings statement** means the statement provided by **us** when the total pension input amount for a tax year in respect of a **participant** (determined in the manner set out in the **Finance Act**) exceeds the relevant annual allowance or when otherwise requested by a **participant**.

**Phoenix Group** means Phoenix Wealth Services Limited, its subsidiaries and holding company and ultimate holding company, and all subsidiaries of such holding company and ultimate holding company. Subsidiary and holding company shall have the meaning given to them under the Companies Act 2006.

**Pooled fund** means the trust assets other than any **lifetime annuities**. The apportionment of any part of the **pooled fund** to any **uncrystallised fund**, **drawdown pension fund**, **scheme pension fund** or to the **general fund** shall be notional and for the purpose of calculating benefits only.

**Provider** means the **provider** of the **scheme**, which is Phoenix Wealth Services Limited or any successor appointed for the time being in accordance with the **rules**.

**Registered pension scheme** means a pension scheme registered under Part 4 of the **Finance Act**.

**Revenue** means HM Revenue & Customs.

**Rules** means the trust deed and rules that establish the **scheme**, as amended from time to time.

**Scheme** means the Family Suntrust Scheme as described in section 2.

**Scheme administrator** means Phoenix Wealth Services Limited or any successor appointed for the time being in accordance with the **rules**.

**Scheme cash account** means the account described in section 11.

**Scheme pension** means a pension payable directly from the **scheme** in exchange for all or part of an **individual benefit fund**. Please see section 23 for further details.

**Scheme pension fund** means the aggregate of all the **scheme pension fund shares**.

**Scheme pension fund share** means, in relation to a **participant**, that share (if any) of the **pooled fund** that **we** determine in accordance with section 10.2 is from time to time attributable to the provision of **scheme pension** for the **participant**.

**Terms and conditions** means the terms and conditions contained in this booklet, as amended from time to time.

**Trustee** means:

- Phoenix Wealth Trustee Services Limited or any successor appointed for the time being in accordance with the **rules** and
- any additional trustee appointed for the time being in accordance with the **rules**.

**Unanimous written agreement** means the unanimous written agreement which **you** sign with all other **participants** on **our** prescribed form (but in the case of **minors** subject to section 4.4).

**Unauthorised payment** means an unauthorised payment (as defined in Section 160(5) of the **Finance Act**) which attracts tax charges.

**Uncrystallised fund** means, in relation to a **member** only, that share (if any) of the **pooled fund** that **we** determine from time to time in accordance with section 10.2 is attributable to the **member** and that has not been applied towards the provision of any benefit under the **scheme**.

**VAT** means United Kingdom Value Added Tax as provided for in the Value Added Tax Act 1994.

**We/us/our(s)** means the **scheme administrator**.

**You/your** means a **participant** in the **scheme**.

## 2. FAMILY SUNTRUST SCHEME

- 2.1 The **scheme** is established by the **provider** and governed by the **rules**. The legally binding agreement between **you** and **us** referred to in the third paragraph of the Introduction imposes conditions and restrictions on the operation of the **scheme**. If there is any conflict between that agreement and the **rules**, the **rules** prevail. **You** can ask the **appointed financial adviser** to obtain a copy of the **rules**.
- 2.2 **We** are responsible for operating and administering the **scheme**, which **we** do on behalf of the **provider**. **We** are also responsible for the discharge of the functions conferred or imposed for the purposes of reporting information to the **Revenue** in accordance with the **Finance Act**.
- 2.3 When an individual becomes a **member**, an **individual benefit fund** will be set up on their behalf. All contributions and transfer payments received and accepted by the **scheme** on their behalf will be applied to their **individual benefit fund**.
- 2.4 All contributions and transfer values will be invested through the **pooled fund** (see section 10).

## 3. OWNERSHIP

- 3.1 The **trustee** is the legal owner of all the **scheme's** assets (cash and investments), which it holds at **our** absolute disposal. **You** are only entitled to be paid the benefits held for and in respect of **you** under the trusts of the **scheme**, in accordance with the **rules** and the agreement between **you** and **us**, referred to in the Introduction to this document.

- 3.2 **We** will exercise **our** powers of investment under the **scheme** in accordance with (and only in accordance with) **your** and the other **participants'** instructions given by **unanimous written agreement**, subject to the conditions set out in sections 12 and 13.

## 4. MEMBERSHIP

- 4.1 Anyone applying for membership can only be included with **unanimous written agreement or with our agreement where there are no remaining participants or the only remaining participants are minors**.
- 4.2 Subject to sections 4.1, 4.4 and 4.5:
- 4.2.1 anyone who is habitually resident (i.e. normally lives) in the UK may apply to become a **member** and
- 4.2.2 an individual with benefits as a dependant or nominated beneficiary under another **registered pension scheme** who wishes to transfer in their **drawdown funds** from that scheme may apply to do so.
- 4.3 Applications must be made using **our** format and on terms prescribed by **us** from time to time, which will include (amongst other things) the applicant agreeing to be bound by these **terms and conditions** and the **rules**.
- 4.4 **Minors** can join the **scheme** provided that their parent/guardian is a **participant** of the **scheme** (joining the **scheme** at the same time or already included in the **scheme**) subject to the following:
- 4.4.1 the parent/guardian agrees that their signature in relation to **unanimous written agreements is also taken to be** on behalf of the **minor** until the **minor's** 18th birthday
- 4.4.2 if the **minor's** parent/guardian ceases to be a **participant** before the **minor** reaches age 18, another parent/guardian must join the **scheme** or already be a **participant** and must take on the responsibility to provide authority on behalf of the **minor** (including meeting the requirements in relation to **unanimous written agreement** on behalf of the **minor**) until the **minor** reaches the age of 18.
- Otherwise, the **minor's individual benefit fund** must be transferred out of the **scheme** within three months, in accordance with section 9.
- We** may accept **unanimous written agreement** from all other **participants** who would otherwise be required to complete **unanimous written agreement** for up to three months. If such a transfer does not take place, **we** may, at **our** discretion, instigate the winding up of the **scheme**, as described in section 35

- 4.4.3 shortly before the **minor's** 18th birthday, **we** will arrange to obtain a specimen signature from the **minor** to facilitate collection of **unanimous written agreement** from the **minor's** 18th birthday

- 4.4.4 if the **minor** does not supply their specimen signature to **us** by their 18th birthday in accordance with **our** request described in section 4.4.3, any action or change that requires **unanimous written agreement** will not be possible. However, **we** may at **our** discretion accept the signatures of all other **participants** (if any) as meeting the requirements for **unanimous written agreement** during the interim period after the **minor's** 18th birthday described in section 4.4.5, but will otherwise not agree or arrange for the action or change to be completed without full **unanimous written agreement** and

- 4.4.5 **we** will allow a **minor** three months after their 18th birthday to supply their signature. If this is not supplied to **us** **we** may then, at **our** discretion, instigate the winding up of the **scheme**, as described in section 35.

- 4.5 **We** will normally accept all applications for membership meeting the criteria set out in section 4.2. However, **we** may refuse an application for membership:

- 4.5.1 for legal or regulatory reasons or where **we** have reason to believe membership is other than for the primary reason of providing pension benefits at retirement

- 4.5.2 if admitting the individual would increase the membership of the **scheme** at the time to more than 12 people.

- 4.6 Any **dependant** or **nominated beneficiary** (in respect of whom an entitlement to benefits arises) who wishes to take benefits in the form of **drawdown pension** (see section 24) must agree in writing to these **terms and conditions** and the fees set out in the **guide to fees** using **our** prescribed application form. **We** may refuse to accept such an application if the **dependant** or **nominated beneficiary** is not habitually resident (i.e. does not normally live) in the UK.

## 5. APPOINTED FINANCIAL ADVISER

- 5.1 **You** and all the other **participants** must have the same **appointed financial adviser** to provide advice in relation to the benefits under the **scheme**. The **appointed financial adviser** is responsible for providing **you** with financial advice about the suitability of using the **scheme** and (where relevant) the selection of particular investments by **you** to be held within the **scheme**, in accordance with all applicable laws and regulations. **We** will not assess the suitability of any advice given to **you** by **your appointed**

**financial adviser**, nor the appropriateness of the **scheme** or an investment for **your** particular circumstances.

The **appointed financial adviser** must be an individual or firm that is appropriately authorised to transact investment business within the UK by the **Financial Conduct Authority**.

- 5.2 **We** will treat the **appointed financial adviser** as continuing to be appointed by all the **participants** unless and until **we** receive written notice from any one of the **participants** or the **appointed financial adviser** that the appointment is to end. At this point, **you** and all the other **participants** must appoint a replacement financial adviser to be the **appointed financial adviser**. If a replacement **appointed financial adviser** is not appointed within three months of the previous **appointed financial adviser's** appointment ending **we** have the right to wind-up the **scheme** in accordance with the **rules** (as described in section 35).

## 6. COMMUNICATION

- 6.1 All instructions to **us** must be in writing and submitted via the **appointed financial adviser**. Instructions include, but are not limited to, notices, application forms, benefit options, allocations and nominations of death benefits, directions in relation to investments, and **unanimous written agreement**. Instructions are not effective until actually received by **us** at the address set out in section 30.
- 6.2 **We** will normally communicate with **you** in writing via the **appointed financial adviser**.
- 6.3 The exceptions to section 6.1 are:
- 6.3.1 where **we** agree that instructions in relation to the ongoing transactions by a **DFM** should be submitted to that **DFM** (see section 13) in accordance with the separate terms and conditions governing the operation of those services
- 6.3.2 where **we** agree that instructions to place a buy, sell or switch transaction in relation to funds linked to any investment product held by the **pooled fund** or to trade assets and investments using any agreed share dealing facility should be submitted to the third party product provider of the investment product or share dealing facility in accordance with the separate terms and conditions governing that product or facility or where **we** give notice that instructions should be submitted to any other relevant third party
- 6.3.3 where the **participants** wish to give urgent instructions relating to the buying or selling of investments, in which case a copy of the **unanimous written agreement** can be sent by facsimile, providing that the original is posted to **us** as soon as possible. These instructions must be identifiable by including the **scheme's** full name
- 6.3.4 where an original signature cannot be obtained from **you** or one or more of the other **participants** in the time frame set out in section 20.1.2, in which case a copy of the **unanimous written agreement** can be sent by facsimile, providing that it is received within the time frame set out in section 20.1.2 and the original is posted to **us** as soon as possible. These instructions must be identifiable by including the **scheme's** full name
- 6.3.5 written notice that the **appointed financial adviser** has stopped acting or is to stop acting should be sent directly to **us** at the address given in section 30
- 6.3.6 where there is no **appointed financial adviser** and **we** have notified the **participants** that **we** shall not wind-up the **scheme** under section 5.2, the following provisions shall apply:
- a) all instructions, including those that the **terms and conditions** require to be made by **unanimous written agreement**, may be sent directly to **us** and
- b) **we** will communicate directly with **you** and the other **participants** and
- 6.3.7 where **commercial property** is held within the **scheme**, all decisions relating to the **commercial property** other than in respect of acquiring or disposing of it will be communicated in the manner set out in the Family Suntrust – Property instruction form.
- 6.4 **You** authorise **us**, the **provider** and the **trustee** to rely on, and treat as fully authorised and binding on **you**, any decision or instruction which purports to have been decided by **unanimous written agreement** without further enquiry by **us** as to the genuineness of such an agreement or the authority or identity of the person giving or purporting to give such an agreement provided the instructions have been received in good faith and without negligence.
- 6.5 **Our** contact details are set out in section 30.

## 7. CONTRIBUTIONS

- 7.1 Contributions may only be made in respect of **members**. No contributions may be made in respect of **dependants** or **nominated beneficiaries**.
- 7.2 **You** may arrange, on such frequency as **we** agree, regular or one-off contributions to **your individual benefit fund**, even after taking benefits, provided that **you** remain eligible to pay relievable contributions under the **Finance Act**, but no contributions can be made after **you** reach the age of 75.
- 7.3 Contributions which exceed the limit on the amount that would qualify for tax relief should not be paid into **your individual benefit fund**.

- If this occurs **you** may request that the excess net contributions are refunded to **you** (or to whoever paid the contributions on **your** behalf.) The amount of such refund will be the lower of the excess net contribution or the value of the part of **your individual benefit fund** attributable to that contribution.
- 7.4 If contributions to the **scheme** are paid which lead to the relevant annual allowance under the **Finance Act** being exceeded, **you** will normally be responsible for paying the annual allowance tax charge arising in respect of the **scheme**. Where, however, **you** meet the conditions set out in the **Finance Act** **you** may instead give notice to **us** that **we** are to be jointly responsible for paying the tax charge. In such cases **we** will pay the tax charge, on **your** behalf, from the **scheme cash account**, provided there are sufficient funds. If there are insufficient funds in the **scheme cash account** **we** will realise assets in accordance with section 20. Following payment of the tax charge, **your** share of the **pooled fund** will be apportioned in the manner set out in section 10.2. The excess contribution paid in these circumstances must remain within **your individual benefit fund**.
- 7.5 Contributions are subject to a minimum amount as follows:
- 7.5.1 if a regular contribution is being made by or in respect of **you**, the minimum amount is £1,000 per payment
- 7.5.2 if a single contribution is being made by or in respect of **you**, the minimum amount is £1,000. The minimum contribution in 7.5.1 and 7.5.2 includes basic rate tax relief on any part of the contribution payable as a **member** contribution (see section 7.7).
- 7.6 All single and regular annual contributions can be paid by cheque or direct credit. Cheques must be made payable to "Phoenix Wealth Trustee Services Limited".
- It may also be possible to 'pay-in' or transfer assets to the scheme in a form other than cash subject to **our** agreement.
- Where **we** agree regular contributions can be made more frequently than annual such contributions can only be paid by direct credit.
- It should be noted that **we** accept no responsibility as to the date a contribution is received and available for investment nor will **we** issue any reminders if an expected regular contribution is not paid.
- 7.7 All contributions will be paid into the **scheme cash account**, **we** will immediately add an amount equivalent to basic rate tax to cash contributions made by **you** or on **your** behalf paid as personal contributions. These monies can only be used once they have cleared.
- 7.8 If **you** wish to pay a contribution in the form of assets, the basic rate tax relief will only be applied to **your individual benefit fund** once the **Revenue** pays the tax relief.
- 7.9 If **you** pay tax above the basic rate, **you** can claim further tax relief. **You** can do this through **your** self-assessment tax return, or, if **you** don't complete a return, **you** can contact HM Revenue and Customs. Tax relief on personal contributions paid on behalf of a **minor** is attributable to the **minor** as opposed to the person who actually pays the contribution.
- 7.10 **Your** employer may also pay contributions on **your** behalf. An employer should claim tax relief as a business expense on any employer contributions.
- 7.11 All contributions must be expressed in cash terms but may be settled, wholly or partially, by appropriate assets rather than cash (subject to section 7.13). The **Revenue** will treat the value of the asset as a cash contribution for the purposes of establishing any tax relief due.
- 7.12 If **you** wish to pay a contribution in the form of assets, subject to section 7.13, the basic rate tax relief will be applied to **your individual benefit fund** in the way described in section 7.8.
- 7.13 Making a contribution in the form of assets is subject to:
- 7.13.1 the assets being a permitted investment in accordance with Appendix 1
- 7.13.2 **our** prior consent
- 7.13.3 **unanimous written agreement**
- 7.13.4 full legal ownership of the assets being transferred to the **trustee** and
- 7.13.5 satisfying any **Revenue** requirements.
- 7.14 Where the contribution is in the form of shares which **you** acquired on exercising a right under a Save As You Earn option scheme (as defined in Section 516 Income Tax Employment and Pensions Act 2003), or which **you** appropriated under the provisions of a share incentive plan (as defined in Section 488 Income Tax Employment and Pensions Act 2003), the value given to the contribution for tax relief purposes is the market value at the date on which the shares were transferred to the **scheme**.
- 7.15 Where the contribution is in the form of an asset which does not come within section 7.14, the value of the asset must equal the agreed amount of the contribution that is not being paid in cash. For this purpose **we** shall obtain a current open market valuation of the asset (the cost of which shall be charged to the **scheme** and met in accordance with section 18.10 when **we** are asked for payment irrespective of whether or not

the transfer is actually completed).

## 8. TRANSFER PAYMENTS INTO THE SCHEME

- 8.1 Subject to section 8.3, the **Revenue's** requirements and **our** prior consent, **you** may transfer **your** benefits, including benefits arising from contracting-out of the State Earnings Related Pension Scheme and/or the State Second Pension, under another pension scheme to this **scheme**. Any contracted-out benefits transferred into the **scheme** will be treated in the same way as all other benefits under the **scheme**.
- 8.2 Transfers of benefits already in payment in the form of **drawdown pension** are also possible in accordance with section 24.
- 8.3 Transfer payments may be effected in cash (by cheque or direct credit), or by a transfer of assets, or a combination of both, from the other scheme. A transfer of assets is subject to:
- 8.3.1 the assets being a permitted investment in accordance with Appendix 1
- 8.3.2 **our** prior consent
- 8.3.3 **unanimous written agreement**
- 8.3.4 **us** having obtained a current open market valuation of the assets (the cost of which, if any, shall be charged to the **scheme** and met in accordance with section 18.10 when **we** are asked for payment irrespective of whether or not the transfer is actually completed)
- 8.3.5 full ownership of the assets being passed to the **trustee** and
- 8.3.6 satisfying the **Revenue's** requirements.
- 8.4 Any transfer payment must normally have a minimum value of £1000 or £10,000 where **you** are transferring drawdown funds.
- 8.5 **You** and **your appointed financial adviser** are responsible for ensuring that a transfer of benefits is in **your** best interests. **We** do not provide advice, nor do **we** assess applications for suitability other than to confirm that **you** are eligible for the **scheme**.

## 9. TRANSFER PAYMENTS OUT OF THE SCHEME

- 9.1 **You** may request a transfer of the value of any benefits under **your individual benefit fund** to another **registered pension scheme** or overseas pension scheme allowed by **Revenue** rules. **You** would need to check that the proposed scheme is willing to accept the transfer.
- 9.2 **We** may on occasion request additional information about the receiving pension scheme to ensure that any funds transferred are and will continue to be

treated by the **Revenue** as a recognised transfer under the **Finance Act**. **We** will not normally permit a transfer out where **we** believe the transfer could reasonably lead to an **unauthorised payment** charge.

- 9.3 In order to make a transfer out, it may be necessary to cash in assets held in the **pooled fund** and, if so, the choice of assets to be cashed in for this purpose must be provided by **unanimous written agreement**.
- 9.4 Costs may be incurred for cashing in assets and making the transfer out (for example, by the **DFM** or other third party product providers). Subject to **unanimous written agreement**, it may be possible to make a transfer payment to another pension arrangement 'in-specie' (i.e. the assets are not sold in order for the transfer to take place but, instead, are re-registered in the name of the trustee of the new pension scheme). With an in-specie transfer, costs may be incurred during the re-registration process. With both cash or in-specie transfers, costs may also be incurred if **we** require a current open market valuation of the assets.
- If **you** wish to pay **adviser charges** in relation to the **scheme** from the funds being transferred out, **you** will need to submit to **us** an **adviser charges payment request form** before the transfer takes place. If **we** do not receive instructions to facilitate the payment of **adviser charges** on a transfer out, **you** will be responsible for settling and arranging any **adviser charges** separately with the **appointed financial adviser**.
- 9.5 The costs (including any agreed **adviser charges**), irrespective of whether or not the transfer out proceeds, will be charged to the **scheme** and met in accordance with section 18.11 prior to any transfer taking place. Payment of a transfer value may be delayed if there is a delay in receiving the relevant instruction.
- 9.6 If **you** wish to make a transfer out after **you** have started taking **your** benefits by **scheme pension** or **drawdown pension**, please refer to sections 23 or 24 respectively for further details.

## 10. POOLED FUND

- 10.1 The **pooled fund** enables the **scheme's** assets to be managed as one portfolio with a common investment approach. All instructions, including investment and **adviser charge** instructions, in relation to the **pooled fund** must be made by **unanimous written agreement**.
- 10.2 The **pooled fund** operates according to the **rules**. In summary, **we** apportion a share of the **pooled fund** for each type of right or entitlement of each **participant** under the **scheme** (which could be one or more of uncrystallised benefits, **scheme pension** or **drawdown pension**) and

any **general fund**.

The share of the **pooled fund** for each right or entitlement is calculated as follows:

- (i) the aggregate amount of the items listed below credited to and debited from the **pooled fund** in respect of that right or entitlement (on a basis agreed by the **advising actuary**)

as a proportion of

- (ii) the aggregate amount of those items credited to and debited from the **pooled fund** in respect of all rights and entitlements and any **general fund**.

The listed items are:

- a) (in respect of a **member**) any contribution, including basic rate tax relief on any part of the contribution payable as a **member** contribution (see section 7.7), and transfer-in payments
- b) (in respect of a **dependant** or **nominated beneficiary**) any allocation under section 25 to provide a pension for the **dependant** or **nominated beneficiary**
- c) any transfers in for a **dependant** or **nominated beneficiary**
- d) any benefit or transfer-out payments
- e) any purchase of **lifetime annuity** or exchange for **scheme pension**
- f) any charges (tax or otherwise) and fees as set out in sections 18 and 19
- g) any increase or decrease attributable to apportionment of any **scheme pension fund share** under sections 23.2 and 25.3.4
- h) any increase or decrease attributable to apportionments of gains or losses under section 10.3 and
- i) any pension credit or pension debit applicable to **you**.

- 10.3 Periodically, but at least every 12 months, the net investment gain or loss of the **pooled fund** will be apportioned within the **pooled fund** on a proportional basis.

In determining the net investment gain or loss **we** will use the market value of assets. Market value has the meaning given in section 278 of the **Finance Act**.

- 10.4 Administration fees will be incurred for operation of the **pooled fund**, depending on which investment options are chosen. Details can be found in the **guide to fees**. Such fees shall be charged to the **scheme** and met in accordance with section 18.10 and 18.11.

For more information on the **pooled fund** speak to the **appointed financial adviser**.

## 11. BANK ACCOUNTS

- 11.1 **We** have established a **scheme cash account** in the name of the **trustee**, with our banking partner (NatWest) to help us ensure that we keep accurate records of the cash held by the **scheme**. All cash in and out of your **scheme** will pass through the **scheme cash account**.

- 11.2 All monies available for investment will be held on deposit until **we** receive investment instructions that have been made by **unanimous written agreement**.

- 11.3 Interest is paid on available cash held in the bank accounts. The level of interest is calculated by reference to **our** banking partners' base rates, subject to a minimum rates of no less than zero. Details can be found in the **guide to fees**.

- 11.4 No ongoing bank charges are currently applied to the **scheme cash** accounts (although charges may apply in the future, which would be met in accordance with section 18.10) but individual transactions may attract bank charges depending on the circumstances of that transaction (for example, receipt of monies in foreign currencies or for an electronic transfer).

- 11.5 **You** should ensure that sufficient cash is available in the **accounts** to cover all payments due. These payments may include (but shall not be limited to):

- 11.5.1 any **scheme pension** payments falling due (which if not paid at certain levels will cause **unauthorised payment** tax charges to arise)

- 11.5.2 any **drawdown pension** payments falling due, which will cease or be delayed if there is insufficient available cash

- 11.5.3 ongoing capital and interest repayments in connection with any borrowing

- 11.5.4 fees, charges or costs as set out in section 18 and

- 11.5.5 any agreed **adviser charges** that are to be paid through the **scheme** as set out in section 19.

- 11.5.6 overdrafts are not permitted on the **scheme cash account**.

- 11.6 If there is insufficient available cash in the **scheme cash account** to comply with the requirements of section 11.5, **we** will cash-in assets to provide the necessary funds as set out in section 20. **We**, the **provider** and the **trustee**, do not accept any liability whatsoever for any loss or any tax charge that may be incurred due to insufficient available cash in the **scheme cash account**. Any additional tax charge resulting from a failure to pay a **scheme pension** within the limits set by the **Revenue** will be met from the relevant **scheme pension fund share**.

- 11.7 Where a **DFM** is appointed then cash may be held by the **DFM** or its **nominee companies**, subject to section 13. Cash held in this way may attract

interest. Details of the appropriate prevailing interest rates can be obtained on request. For further details in relation to **DFMs**, please refer to **your appointed financial adviser**.

- 11.8 The **scheme administrator** may establish investment bank accounts and administration bank accounts in the name of the **trustee** with **our** banking partner (NatWest). **We** may process the following payments to and from **your scheme cash account** through these bank accounts:

- Contributions in
- Transfers in
- Payments out other than by Direct Credit
- Investment sales

Where monies remain in these accounts overnight the **trustee** may receive interest on the amount held, which will be paid to **us**.

## 12. INVESTMENTS

- 12.1 The investments that are currently permitted under the **scheme** are set out in Appendix 1.

The list of investments permitted may vary from time to time. However, in order to comply with the **Revenue's** rules for authorised investments, certain restrictions apply. In particular, the **scheme** may not (directly or indirectly) engage in investment transactions with:

- 12.1.1 **you** or a person connected with **you** (e.g. a family member or a business partner), or
- 12.1.2 a company or firm in which **you** or a member of **your** family has an interest unless any transactions are made on an arm's length bargain terms basis (i.e. on a basis consistent with a normal open-market commercial transaction between two or more persons).
- 12.2 **We**, the **provider** and the **trustee** are not responsible for determining whether any proposed investment is suitable or appropriate for **your** particular circumstances. However, **we** have the right to decline to accept an investment into the **scheme**. For circumstances where **we** may decline an investment please see Appendix 1.
- We** shall not be responsible for any investment decision made following the advice, recommendation or decision of any third party (including the **appointed financial adviser** or otherwise) in relation to the **scheme**.
- 12.3 The sole purpose of a **registered pension scheme** must be the provision of income or lump sums as specified in the **Finance Act**. The investment objectives of the **scheme** must have due regard to this.
- 12.4 Any investment instruction will only be carried out where there is sufficient available cash to complete

the transaction.

## 13. INVESTMENT MANAGEMENT

- 13.1 **We**, the **provider** and the **trustee** will not act as investment managers in relation to investments under the **scheme**. In addition, **we**, the **provider** and the **trustee** will not accept any liability for the performance or choice of investments, or performance or choice of any third party adviser or investment manager.

- 13.2 The **participants** decide the manner in which the **pooled fund** is invested, subject to section 12. Any investment instruction must be made by **unanimous written agreement** and submitted to **us** via the **appointed financial adviser** or otherwise in accordance with section 6.

- 13.3 **We** will select an execution only dealing facility for trading in stocks and share/ securities, which will be governed by separate terms and conditions. It will be necessary for the **participants** to complete the relevant documentation provided by the facility provider and to agree by **unanimous written agreement** to those terms and conditions.

- 13.4 **The participants** may appoint, with **our** agreement, one or more **DFMs** to manage all or part of the **pooled fund**, on a discretionary basis. Such appointments must be by **unanimous written agreement** and notified to **us**. If a **DFM** has been appointed it will be necessary for the **participants** to complete the relevant documentation provided by the appointed **DFM**. The investment strategy will be set out in the documentation which will also detail the terms and conditions under which the **DFM** will execute transactions in relation to the assets of the **scheme** managed by that **DFM**. These terms will be formally entered into by the **trustee** and **us** with the **DFM**. Please note that the **DFM** may have rights to compensation from or to take security over some or all of the assets of the **scheme** held by them in certain circumstances.

- 13.5 **We** will release the monies (after they have cleared) to the appointed **DFM** once the **DFM** has opened an account for the **scheme**. The costs arising from the **DFM's** commissions, fees and disbursements will be borne by the investments under the control of the **DFM**.

- 13.6 Any **DFM** appointed will be able to provide full details of their charges.

## 14. STOCK CUSTODY

- 14.1 Permitted investments may be registered in the name of **nominee companies** used by any **DFM** appointed in accordance with section 13 or, subject to **our** agreement, such other third party provider

appointed by **unanimous written agreement**. Custody of these investments will be arranged by any **DFM** appointed in accordance with section 13 or, subject to **our** agreement, such other third party provider appointed by **unanimous written agreement**. Custodians may be members of their respective groups, or external third parties.

- 14.2 The costs arising from fees and charges of any **nominee company** or custodian relating to stock registration or custody and settlement shall be charged to the **scheme** in accordance with section 18.10.
- 14.3 The **trustee** will not exercise voting rights. Details of the approach that any appointed **DFM** or **nominee company** or such third party provider will take to voting rights can be obtained by **you** contacting them directly.

## 15. COMMERCIAL PROPERTY

- 15.1 **We**, the **provider** and the **trustee** will not give advice, assess the suitability or appropriateness of, nor accept any liability for, the performance or choice of **commercial property** investment in relation to the **scheme**.
- 15.2 All **commercial property** in the **scheme** will be held and any associated borrowing will be made in the name of the **trustee**.
- 15.3 When purchasing or selling any **commercial property**, **we** will instruct or appoint only approved third parties. This will include surveyors, environmental specialists, solicitors, insurance consultants, property administrators and property managers. When selling any **commercial property**, an additional **trustee** (only in respect of the **commercial property**) of **our** choosing will need to be temporarily appointed.
- 15.4 The fees arising from the appointed third parties, together with all associated costs and expenses arising from the ongoing administration and compliance with relevant legislation in respect of **commercial property** including litigation, shall be charged to the **scheme** and met in accordance with section 18.10.
- 15.5 **Our** third party property administrator will manage a separate pooled property bank account. Property income will be credited to this account and will be identified by a reference to the property to which it relates. This will be transferred to the **scheme cash account** within three business days once funds have cleared. Interest credited to this separate pooled property bank account will be retained by the property administrator
- 15.6 **We** have the right to instruct the **trustee** to sell a **commercial property** at any time if a risk or

liability arises such that it is no longer viable for the **scheme** to continue to hold the **commercial property** or the holding of **commercial property** is no longer compliant with the applicable laws and regulations. Examples include if legislation changes such that the property is treated by the **Revenue** as taxable property, or if it emerges that the property is subject to an exceptional financial liability (such as environmental contamination costs).

- 15.7 Further details, including use of **unanimous written agreement** can be found in the Investment in commercial property guide and the Family Suntrust – Property instruction form.
- 15.8 Subject to section 15.6 and 20, acquisition and disposal of **commercial property** will require **your** instructions as set out in section 6. All other decisions in respect of the **commercial property** will be taken as set out in the Investment in commercial property guide.

## 16. BORROWING

- 16.1 The maximum amount that the **scheme** can borrow is set by the **Revenue** and is currently limited to 50% of the net 'market value' of the **pooled fund** (immediately before the borrowing takes place). For the avoidance of doubt, this includes the **scheme pension fund**.
- 'Market value' has the meaning given by Section 278 of the **Finance Act**. The value of any asset being purchased using the borrowing must therefore not be taken into account in calculating the borrowing limit unless, exceptionally, the asset was already held in the **pooled fund** before the borrowing takes place (e.g. a re-mortgage). **We** will take into account any existing borrowing when calculating the limits.
- 16.2 Subject to section 16.1, any borrowing may be further restricted in accordance with the terms and conditions offered by the lender. For example, a lender may not be willing to lend the maximum otherwise permitted where there are **minors** or benefits in payment.
- 16.3 All borrowing must be arranged in the name of the **trustee**.
- 16.4 Neither **we** nor the **trustee** take responsibility for finding a willing third party lender, but **we** may be able to facilitate a third party lender that could be used.
- 16.5 After receiving confirmation from **us** that the borrowing is acceptable, the **trustee** will sign the lender's loan documentation on behalf of the **scheme**.
- 16.6 Certain lenders may require the **scheme** to maintain a suitable cleared balance in the **scheme cash account** to cover ongoing capital and interest repayments. This will vary from lender to lender. If

there is insufficient available cash in the **scheme cash account** to cover ongoing capital and interest repayments, **we** will cash-in assets in order to provide the necessary funds. The procedure for realising assets is set out in section 20.

- 16.7 All borrowing must be repaid in accordance with the terms and conditions of the lender's loan documentation (for example on completion of the sale of a **commercial property**).
- 16.8 It will be necessary to review the level of borrowing available if a **participant's individual benefit fund** is fully encashed as a consequence of the **participant**:
  - 16.8.1 dying
  - 16.8.2 transferring out
  - 16.8.3 drawing all their fund through **drawdown pension**
  - 16.8.4 becoming subject to a pension sharing order or
  - 16.8.5 purchasing a **lifetime annuity**.
  - 16.8.6 In certain circumstances, this may require the borrowing to be wholly or partially repaid.
- 16.9 **We** will comply with the terms and conditions offered by the lender.

## 17. STATEMENTS

- 17.1 If **you** have appointed a **DFM**, **you** and the other **participants** must agree with them how often the **DFM** will provide **you** with investment updates, including transaction details and portfolio valuations during the period.
- 17.2 If the **scheme** invests in **commercial property**, an annual statement will be issued. This will provide details of the income and expenditure in relation to all **commercial property** held within the **scheme**.
- 17.3 If the **scheme** has borrowed money as described in section 16, an annual statement will be issued providing details of the transactions in relation to that borrowing during the period.
- 17.4 An annual summary of the **scheme's** cash and investments will be provided. This will give details of all cash and investments held under the **scheme** although (due to issues of timing and costs in obtaining valuations) this may not be a current valuation. If a current valuation is required the cost of obtaining this shall be charged to the **scheme** in accordance with section 18.10. If **you** require an additional summary of the **scheme's** cash and investments at any time, **we** will apply an additional charge for each and every statement. This additional charge shall be charged to the **scheme** in accordance with section 18.10. Please refer to the **guide to fees** for more details.
- 17.5 If **you** receive a **scheme pension**, **you** will receive an annual statement. This will provide details of

the income payments made from the **scheme**. At least every three years, the **advising actuary** will advise **us** of the sustainability of the level of the income being taken. If any reduction is necessary, details will be included in the annual statement.

- 17.6 If **you** receive a **drawdown pension** on the capped basis (see section 24.3), **you** will receive an annual statement. This will provide details of the income payments made from the **scheme**. If **you** are under age 75, every three years, **Revenue** rules require **us** to recalculate the maximum income that can be taken. Subject to **our** agreement, **you** can request that this maximum income level is reviewed at an earlier anniversary. The statement **you** receive following such a review will show the new maximum income level that will apply for the next three years. If **you** are 75 and over, **Revenue** rules require **us** to recalculate **your** income level every year.
- 17.6.1 If **you** receive a **drawdown pension** on the flexible basis (see section 24.3), confirmation of the benefits taken will be issued with each requested payment and **you** will receive an annual statement.
- 17.7 If one or more **participant's** pension input amounts under the **scheme** for a tax year exceeds the relevant annual allowance, we are required by legislation to provide a **pension savings statement**.  
A **participant** may request that a **pension savings statement** is produced at any time regardless of the amount of contributions paid into the **scheme**.  
Where a **pension savings statement** is required or requested it will be produced by **us** within such timeframe and contain such details as are required by legislation.

## 18. FEES AND CHARGES

- 18.1 This section describes the fees and charges that may be incurred by and in relation to the **scheme**.

### Scheme fees

- 18.2 **We** will charge **you** (where applicable):
  - 18.2.1 to join the **scheme**
  - 18.2.2 a yearly management fee for the ongoing administration of the **scheme**
  - 18.2.3 for the investment, administration, realisation and valuation of the assets, including either an annual investment fee or an annual holding fee
  - 18.2.4 where **we** have to cash-in assets to meet the **scheme's** obligations where **unanimous written agreement** has not been received
  - 18.2.5 for in specie transfers or contributions and
  - 18.2.6 **our** reasonable fees (as agreed with **you** and the

other **participants**) for any additional ad hoc work that has been carried out in relation to the **scheme**, such as the provision of additional valuations, pensions splitting or the payment of tax charges.

- 18.2.7 Further details of these fees are set out in the **guide to fees**.

These fees shall be met in accordance with section 18.10.

- 18.3 Fees incurred for **scheme** benefit options are:

- 18.3.1 for capped **drawdown pension**, top up and review fees
- 18.3.2 for flexi-access **drawdown pension**, set-up, top up and annual fees
- 18.3.3 for **scheme pension** review fees and
- 18.3.4 **our** reasonable fees (as agreed with **you**) for any additional ad hoc work that has been carried out, such as pensions splitting or the payment of tax charges.

Further details of these fees are set out in the **guide to fees**.

These fees shall be met in accordance with section 18.11.

### Other charges

- 18.4 In addition to **our** fees outlined in sections 18.2 and 18.3, third party charges which may be applicable in relation to **your scheme** include (but may not be limited to):
- 18.4.1 **Adviser charges** – the options **you** have to facilitate the payment of **adviser charges** from the **scheme** to **the appointed financial adviser** are described in section 19. **Adviser charges** can be incurred in relation to an individual **participant** or in relation to the **scheme** as a whole
- 18.4.2 **DFM** charges – as separately agreed by **you** and **your DFM**
- 18.4.3 third party **commercial property** charges – as explained in section 15.4 and
- 18.4.4 the charges applied by a third party product provider for any particular products, product wrappers or investments that **you** have selected to hold within **your scheme** – as separately agreed by **you** and the third party product provider.

These charges shall be met in accordance with section 18.5 and 18.6 below. They will be accounted for in accordance with 18.10, with the exception of **adviser charges** incurred in relation to an individual **participant** where the charges shall be met in accordance with section 18.11.

### General

- 18.5 The fees and charges are normally met from the **scheme cash account** and are taken on the due date. All the **participants** are responsible

for ensuring that the **scheme cash account** has sufficient available cash to pay any fees or charges due. Any fee or charge which is not collected on the due date will remain due until it is debited from the **scheme cash account** or otherwise settled.

If there is insufficient cash available to cover pending charges, **we** have the right to realise assets in order to meet any outstanding fees or charges due (including any agreed third party charges) in the manner described in section 20.

- 18.6 Charges incurred by any appointed **DFM** will be deducted from funds held by them on behalf of the **scheme**. Charges incurred by any third party product provider will be deducted by them and reflected in the value of the product or investment, on the basis agreed by **you** with that third party provider.

- 18.7 **VAT** may be payable on the fees for services provided under the **scheme**, as described in the **guide to fees**.

- 18.8 Certain payments from the **scheme** may result in a liability for tax, interest or charge. If **we** believe that any payment from the **scheme** will result in such a liability, including any amount which **we** believe will equal any **unauthorised payment** tax charge, **we** may deduct a sum estimated to cover this liability from any payment from the **scheme** before paying the net amount.

- 18.9 **We** will account for certain tax, interest or charges due to the **Revenue**. Where liability for such tax, interest or charge is a joint liability, **we** will be deemed to have discharged **our** obligations to meet that liability where **we** have acted on information provided to **us**.

If the information provided to **us** is incomplete or incorrect, then liability for any additional tax, interest or charge, or any unpaid tax on **your** benefits from the **scheme**, will be deemed not to be **ours**. In this event, **we** may recover the tax, interest or charge raised on it by the **Revenue** (in relation to these benefits) from the benefits. If **we** are unable to recover such tax, interest or charge from the benefits **you** (or the recipient of the benefits where applicable) will be personally liable to reimburse **us**.

### Order of fees and charges

- 18.10 All fees and charges to be met in accordance with this section 18.10 shall be accounted for as follows:
- 18.10.1 first, out of the **general fund**
- 18.10.2 second, out of all **uncrystallised funds**, **drawdown pension funds** and any **scheme pension fund shares** on a proportionate basis.
- 18.11 Fees and charges incurred when a **participant** takes benefits, and all other amounts to be met in accordance with this section 18.11, shall be recovered from that **participant's** share of the

**pooled fund** relevant to the type of benefit in question (for example, if **you** start to draw income as **drawdown pension**, the set up fee will be recovered from **your drawdown pension fund**).

- 18.12 **Our** fees and charges due will typically be paid out of the **scheme** before those due to any third parties (such as to the **appointed financial adviser** or to **your DFM**).

## Changes to fees

- 18.13 Any **scheme** fees expressed as monetary amounts (as opposed to percentage rates) will normally be increased each year on 1 July or the next working day in line with the increase in the Average Weekly Earnings Index (or other suitable index) from the previous calendar year, as described in the **guide to fees**.
- 18.14 **We** have the right to make other reasonable and proportionate amendments or increases to fees at any time in the following circumstances:
- 18.14.1 if there are changes in the tax rules, legislation or regulatory changes
- 18.14.2 if **our** staff or overhead costs are higher than **we** expect or
- 18.14.3 if the costs of third parties **we** use increase.
- We** can exercise this right upon giving **you** 30 days written notice, so far as it is practicable to do so. Any written notice will be sent to **your** last address that **we** hold. The proposed changes will take effect from the date stated in the written notice. During the notice period, if **you** are unhappy with the proposed changes, **you** should notify **us** and **you** will be able to transfer **your** benefits to another **registered pension scheme**. Any fees involved in realising (sell, cash-in or re-register) assets will be applied, at the rates which apply at the time the assets are realised. Any transfer out charges generally in force at the time of the transfer will also be applied.
- 18.15 Charges set by a **DFM** may increase or change depending on the services **you** are receiving from them. Any change in **DFM** charges will be confirmed by them.
- Third party product provider charges can only be increased on the instruction of that product provider in accordance with **your** agreement with them.
- Where **you** have agreed for **adviser charges** to be deducted from **your scheme**, it will be **your** responsibility to notify **us** of any increases to the **adviser charges** that **you** and the other **participants** have agreed with the **appointed financial adviser**.

## 19. ADVISER CHARGES

- 19.1 Paying for advice and services in relation to **your scheme** must be agreed separately between **you** and the **appointed financial adviser**. **You** can

pay either:

- 19.1.1 directly, in which case **you** need to speak to the **appointed financial adviser** to arrange this or
- 19.1.2 through the money **you** invest in the **scheme**.
- In either case the arrangement is between **you** and the **appointed financial adviser**.
- 19.2 If **you** require **us** to facilitate the payment of **adviser charges** through the **scheme**, **you**, the other **participants** and the **appointed financial adviser** will be required to sign an **adviser charges payment request form** before **we** will make the payment(s) to the **appointed financial adviser**. In the case of a **minor**, their parent/guardian will need to sign the form on their behalf.
- 19.3 If **you** and the other **participants** sign an **adviser charges payment request form**, that document authorises the facilitation of payments to the **appointed financial adviser** from the **scheme**, at the rate and frequency agreed with the **appointed financial adviser** and set out in the **adviser charges payment request form**. If **you** wish for **us** to facilitate the payment of a new or additional **adviser charge**, **you**, the other **participants** and the **appointed financial adviser** will need to complete and submit a new **adviser charges payment request form**.
- 19.4 Any **adviser charge** payments agreed to be facilitated through the **scheme** shall be accounted for in accordance with section 18.10 or section 18.11 (as applicable). Should the **scheme** have insufficient available cash in the **scheme cash account** to make a payment, **we** will not make that payment until there is sufficient available cash through the procedure set out in section 20. Where it has been agreed that the **adviser charge** is facilitated direct from an asset held by the **scheme** the terms and conditions of that asset will determine what happens in the event of insufficient available cash.
- If there are insufficient assets or monies in the **scheme** as a whole to meet any **adviser charges** (or in any other circumstances where it is no longer reasonably possible for **us** to facilitate an **adviser charge** payment), **you** will be responsible for settling any outstanding or future **adviser charge** payments due directly with the **appointed financial adviser**.
- 19.5 If **you** have set up an instruction to pay any ongoing or recurring **adviser charges** (such as, for example, for any services **you** are to receive from the **appointed financial adviser** on the annual renewal of the **scheme**), payments of that **adviser charge** will continue to be facilitated through the **scheme** until **you** notify **us** in writing to cancel the instruction.

- 19.6 Subject to section 19.4, **adviser charge** payments from the **scheme cash account** to the **appointed financial adviser** will normally be made on the agreed due date or (if not specified) shortly after **we** receive the completed **adviser charges payment request form**. For **adviser charges** to be deducted in relation to the annual renewal of the **scheme**, **we** will make such payments shortly after the agreed renewal date.
- 19.7 **We** will only facilitate **adviser charge** payments to the **appointed financial adviser**. If **you** change **your appointed financial adviser**, **you** and the other **participants** will be required to sign a new **adviser charges payment request form** if **you** wish to continue paying **adviser charges** through the **scheme**.
- 19.8 Facilitation of the payment of **adviser charges** through the **scheme** will be at **our** discretion and **we** can refuse to facilitate such payments, or request further information from **you** in relation to a payment instruction, at any time (acting reasonably).
- 19.9 If the **Revenue** decide that any **adviser charge** paid from the **scheme** is inappropriate, **you** may incur a tax liability for the '**unauthorised payment**'.
- 19.10 **We** will treat all payments of **adviser charges** as if they were **VAT** exempt. However, in the event that any service provided by the **appointed financial adviser** to **you** carries **VAT**, **we** will treat any payment of **adviser charges** facilitated by **us** through the **scheme** as inclusive of any such **VAT** (and **we** will not, therefore, add any amount in respect of such **VAT** to **adviser charges**).
- 19.11 In the event a **participant** dies, **we** will continue to deduct any agreed **adviser charges** unless **we** receive a written instruction from the remaining **participants** to stop the payments. If all **participants** in the **scheme** die, payment of any future **adviser charges** from **your scheme** will stop following receipt by **us** of written notification. Any future payments that are due to the **appointed financial adviser** may still need to be settled. **Your** personal representatives will be able to request a one-off ad-hoc **adviser charge** through **your scheme** to pay **your appointed financial adviser**.

## 20. REALISATION OF ASSETS

- 20.1 Where there is insufficient available cash in the **scheme cash account** to meet payments (including any agreed **adviser charges**) that are due, **we** will carry out the following procedure:
- 20.1.1 **we** will ask **you** to provide additional contributions (where appropriate) or instructions by **unanimous written agreement** to sell assets (or a

combination of both) in order to provide sufficient funds. The instructions to sell assets must specify the assets **we** should sell and the order in which **we** should sell them

- 20.1.2 if **we** do not receive additional contributions and/or instructions by **unanimous written agreement** to sell assets that would together provide sufficient available cash within one month (or such longer period as **we** allow) of **our** request, then **we** will arrange for assets to be sold in the following order:
- any cash held on deposit with another bank or licensed deposit taker
  - any assets held through a **DFM** (last appointed **DFM** contacted first)
  - stocks and shares, on a last-in, first-out basis
  - investment trusts/unit trusts/OEICs on a last-in, first-out basis
  - trustee investment policies/bonds on a last-in, first-out basis
  - any other asset (excluding **commercial property**) not included above on a last-in first-out basis then
  - commercial property** on a last-in, first-out basis.

By joining the **scheme**, or applying for a **dependant's drawdown pension** or **scheme pension**, **you** agree and accept that in these circumstances **you** authorise **us** to sell assets in the order set out above to meet the payments (including any agreed **adviser charges**) that are due.

- 20.2 For the purposes of section 20 only, where **you** are unable to act due to serious ill health, or physical or mental incapacity, **we** may at **our** sole discretion require medical advice to that effect (the cost of which will be met from the **pooled fund**). Subject to such medical advice, **we** may accept the directions of any legally authorised party acting on **your** behalf. Where **you** are not capable of acting due to serious ill health or physical or mental incapacity, and no other party is legally authorised to act on **your** behalf, **we** may at **our** absolute discretion, accept the **unanimous written agreement** of the remaining **participants**. This is subject to evidence being received to **our** satisfaction that **you** are not capable of acting. **We**, the **provider** and the **trustee** will not be liable for any or all losses, costs, actions, proceedings, claims and demands which may be incurred by or brought or made against any or all of **us** or them arising directly or indirectly from **us** or them having acted in good faith (as described in this section).
- 20.2.1 Where there are no remaining **participants** in the **scheme** or the only remaining **participant** is a **minor** **we** may at **our** sole discretion arrange for all

- assets to be sold and the proceeds held as cash in the **scheme cash account**.
- 20.3 **We** may make a charge to the **scheme** on a time/cost basis for coordinating the realisation of assets under section 20.1.2 and will deduct this charge from the **pooled fund**. This is in addition to other parties' costs incurred in valuing and realising the assets.
- 20.4 **We** will write to **you**, the other **participants** and the **appointed financial adviser** as soon as practicable to confirm the intention to realise assets and the order in which **we** will do this. **We** will also write to confirm details after the assets have been realised and the amount of any charge made.
- 20.5 In some circumstances it may be necessary to sell or cash-in assets at whatever price is available at the time. This may result in the cashing-in of assets when the relevant market is depressed. Assets may have to be cashed-in:
- 20.5.1 to provide a lump sum death benefit (see section 27 for details of the time limits on payment of lump sum death benefits)
- 20.5.2 to facilitate other benefit payments or
- 20.5.3 on implementing the **scheme** wind-up provisions (as described in section 35).
- 20.6 As an alternative to the cashing-in of assets in accordance with section 20.5, it may be possible to settle the transaction by a transfer of assets.
- 20.7 The cashing-in of an investment under the **scheme** shall be governed by the terms and conditions of that investment. Such terms and conditions may include a right for the investment provider to delay the cashing-in.
- 20.8 If when **we** dispose of all investments in **your scheme** there is still insufficient value to meet charges due, **your scheme** may be terminated in accordance with section 35. **You** will be responsible for agreeing with the **appointed financial adviser** how **you** will settle any outstanding **adviser charges** due.
- ## 21. MEMBER'S BENEFITS
- 21.1 As part of the process to join the **scheme**, **we** will require **you** to choose a benefit date. Normally, this date must be between **your** 55th and 75th birthday. **You** may change **your** chosen benefit date, but if **you** do so **you** must inform **us**. Contributions can continue in respect of **you** even after **you** take benefits. However, no contributions can be made after **you** reach the age of 75.
- 21.2 There may be circumstances where **you** may be able to take benefits earlier than age 55 (for example, because of a protected pension age or ill-health). Please contact the **appointed financial adviser** for details.
- 21.3 Before benefits can be taken, there must be sufficient available cash in the **scheme cash account**. To achieve this, assets under the **scheme** may need to be cashed-in under the procedure set out in section 20. Some assets (for example, **commercial property**) may take longer to realise than others. This could delay benefit payment.
- 21.4 Up to age 75 the value of the **individual benefit fund** being used to provide benefits must be tested against an allowance called the lifetime allowance, set by the **Revenue**. Where the lifetime allowance is exceeded, there will be a tax charge. **We** will deduct the tax charge due from the benefits being taken and pass this to the **Revenue**. For further details of the circumstances in which this tax charge may arise, please speak to the **appointed financial adviser**.
- 21.4.1 When **you** reach age 75 and have either a **drawdown pension fund** and/or an **uncrystallised fund**, the value of those funds will be required to undergo an automatic lifetime allowance test. There is no requirement to take all benefits prior to age 75 but where there is an excess calculated, **we** will be required to deduct an appropriate tax charge.
- 21.5 When **you** choose to draw benefits from the **scheme**, the following minimum amount, or such amount as **we** agree, must be designated for providing **your** benefits:
- 21.5.1 if **you** choose to take a **drawdown pension** (see section 24): £1,000, before deduction of any tax-free lump sum as described in section 21.6.4
- 21.5.2 if **you** are transferring in (see section 8) a drawdown pension fund from another scheme: £10,000 and
- 21.5.3 when an amount from the **scheme** is used to buy a **lifetime annuity** (see section 22), providers may impose a minimum purchase price for a **lifetime annuity**.
- 21.6 The options for taking benefits from **your individual benefit fund** are:
- 21.6.1 A small pots lump sum where **you** meet the qualifying conditions.
- 21.6.2 A **lifetime annuity** which provides an income for the rest of **your** life. For further details please see section 22.
- 21.6.3 To draw an income directly from **your individual benefit fund**. For further details please see section 24.
- 21.6.4 When **you** start to take income (as a **lifetime annuity** or **drawdown pension**) **you** can opt to take part of the benefit as a tax-free lump sum. Normally the maximum tax-free lump sum will be 25% of the value of the **individual benefit fund** **you** have requested to use to provide benefits.

However, if **you** have higher tax-free lump sum rights in respect of benefits earned before 6 April 2006, it may be possible to take more than 25% as a tax-free lump sum.

- 21.7 **We** will normally pay any lump sums and any ongoing income payments by direct credit into **your** chosen bank or building society account.

## 22. LIFETIME ANNUITY OPTION

- 22.1 A **lifetime annuity** pays an income for the rest of an individual's life.

A **lifetime annuity** can be purchased from any insurance company (this is known as the 'open market option').

The **lifetime annuity** option is also available where income has been taken initially on the **drawdown pension** basis (see section 24).

- 22.2 **We** require the appropriate documentation to be completed before a **lifetime annuity** is purchased. **You** must agree the relevant amount to be transferred to purchase the **lifetime annuity** contract, and that **you** have no further interest in the **individual benefit fund** in respect of the amount used to purchase the **lifetime annuity**.

## 23. SCHEME PENSION OPTION (CLOSED TO NEW BUSINESS 6 APRIL 2015)

- 23.1 The **scheme pension** option was closed to new business from 6 April 2015.

- 23.2 Where prior to 6 April 2015 **you** elected to take **your** benefits as a **scheme pension** the **advising actuary** will regularly review the sustainability of the level of each **scheme pension** being paid against the value of the relevant **scheme pension fund share**. The reviews will be completed every three years, or earlier if the **advising actuary** considers this appropriate, or on **our** request. At each review, the **advising actuary** will assess the funds needed to provide for the **scheme pensions** to continue on the terms agreed with **you** when **you** first exchanged the nature of **your** entitlement under the **scheme** for **scheme pension**.

**We** may also ask **you** to complete a health questionnaire before any reviews. The details from **your** health questionnaire (and any supplementary information which **we** may ask **you** or **your** doctor to provide) will allow the **advising actuary** to calculate a level of **scheme pension** more specific to **your** circumstances. Should **you** not wish to provide such health details for any reviews, the **scheme pension** will be calculated on a normal health basis.

- 23.2.1 If the **advising actuary** determines that any **scheme pension fund share** at the review date is

lower than that required to support the associated **scheme pension**, then all **scheme pensions** will need to be reduced appropriately, as determined by the **advising actuary**, in accordance with **Revenue** regulations.

- 23.2.2 If the **advising actuary** determines that any **scheme pension fund share** at the review date is higher than that required to support the associated **scheme pension**, then such part or all of the excess will be applied in such one or more of the following ways and if more than one in such proportions as the **participants** may instruct us by **unanimous written agreement** at any time before the next review:

- to increase the associated **scheme pension** of the **member** by an amount determined by the **advising actuary** and
- to apportion, on a proportionate basis, to all of any **uncrystallised funds** of other **members** aged under 75 who are not registered with the **Revenue** for either enhanced protection or any form of fixed protection.

Where no instruction is received or excess funds still remain, the remaining excess will remain in the relevant **scheme pension fund share**, with no change being made to the level of the associated **scheme pension**. **In the event of there being no remaining participants who can give unanimous written agreement the excess will automatically be used to increase the associated scheme pension.**

- 23.2.3 **We** will notify **you** if **you** are affected by any change in the level of **scheme pension** under sections 23.2.1 and 23.2.2. Any change will be implemented at the next **scheme pension** payment.

- 23.2.4 Where the **advising actuary** determines that the **scheme pension fund shares** are sufficient to meet the current level of the associated **scheme pensions**, without the need for any adjustment (as described in section 23.2) no further action will be required at that review.

- 23.2.5 **We** will always act on a recommendation of the **advising actuary** given as a result of a review.

- 23.3 Any **scheme pensions** will continue to be paid on a half-yearly or yearly basis and on such terms as **you** agreed at outset.

- 23.4 **We** may secure the liability for any **scheme pension** outside the **scheme**, by purchasing an annuity with all or part of the relevant **scheme pension fund share** on such terms as we in **our** absolute discretion reasonably believe best fits the liability requirement.

- 23.4.1 If the **advising actuary** determines that the relevant **scheme pension fund share** is lower

than that required to support the **scheme pension** that is to be secured, the level of **scheme pension** shall be reduced appropriately.

- 23.4.2 If the **advising actuary** determines that the relevant **scheme pension fund share** is higher than that required to support the **scheme pension** that is to be secured, then the excess will be applied to increase the **scheme pension** that is to be secured by an amount determined by the **advising actuary**.

- 23.5 A **scheme pension** can be transferred at any time to another **registered pension scheme** which is willing to accept the transfer. The receiving **scheme** must provide a **scheme pension** that reflects the payment terms that were agreed when the **scheme pension** was first set up and which is not lower than the amount of the previous **scheme pension** (except that a reduction may be made to reflect reasonable fees incurred in making the transfer).

## 24. DRAWDOWN PENSION OPTION

- 24.1 **You** have the option to draw an income from **your individual benefit fund** instead of purchasing a **lifetime annuity**. The **drawdown pension** option is subject to the limit on the minimum size of **drawdown pension fund** that is set out in section 21.5. **We** require the appropriate documentation to be completed and returned prior to the start of the payments.
- 24.2 **Drawdown pension** can normally be taken from **your** 55th birthday onwards.
- 24.3 **Drawdown pension** is available on a flexible or a capped basis. However, the capped basis is only available from 6 April 2015 where **you** have set up a **drawdown pension** on the capped basis prior to 6 April 2015. **You** can elect to switch from a capped basis to a flexible basis at any time. **You** cannot however elect to switch from a flexible basis to a capped basis.
- 24.3.1 For the flexible basis **you** may choose to receive any level of income up to the full value of **your drawdown pension**. **You** may also choose to receive no income.
- 24.3.2 For the capped basis **we** will notify **you** of the maximum annual income that may be taken. **You** may choose to receive any level of income up to the maximum limit. **You** may also choose to receive no income.
- 24.4 Any **drawdown pension** income will be paid on such frequency as **you** agree with **us**.
- 24.5 Subject to any **Revenue** limits, completion and return of appropriate documentation and, where appropriate, there being sufficient available cash in the **scheme cash account**, **you** may increase, reduce or stop income payments and/or receive an

extra one-off income withdrawal. Please refer to the **guide to fees** for details of any charges that may apply.

- 24.6 For the capped drawdown basis where **you** are under 75, the maximum limit must be reviewed at least every three years in accordance with the **Revenue's** requirements. **We** will notify **you** of the new maximum limit that will apply for the next three years following each review. If **you** are 75 and over, **Revenue** rules require **us** to recalculate the capped maximum limit every year.
- 24.7 **We** will not normally recalculate the maximum limit before the end of the three year review period unless the **appointed financial adviser** asks for an early review as set out in section 24.8, or **we** otherwise agree a shorter period. Where the maximum limit is altered as part of the three year review, the recalculated maximum limit will be effective from the review date.
- 24.8 **You** can request that the maximum limit is reviewed on an anniversary earlier than any scheduled three-year review date. Following such an early review, the new maximum limit will then apply from the anniversary date used in the review calculation for the next three years.
- 24.9 It may be possible to transfer into the **scheme** a drawdown fund from another **registered pension scheme**. **We** will notify **you** of such conditions, if any, that will apply prior to the transfer being accepted.
- 24.10 **You** may transfer **your drawdown pension fund** at any time to another **registered pension scheme** which is willing to accept this transfer.

## 25. BENEFITS FOLLOWING DEATH

### Member's death

- 25.1 If **you** die any remaining **individual benefit fund** will be applied in the following order:
- 25.1.1 first, allocated to provide a benefit in accordance with section 26.1 for **your** spouse or civil partner that **you** specify in prior instructions and
- 25.1.2 second, to the extent that no spouse or civil partner specified survives **you** or **you** do not provide prior instructions for allocation to **your** spouse or civil partner in such one or more of the ways set out in Sections 26.3 and 27 as **we** in **our** absolute discretion may determine.
- 25.2 Any instructions relating to allocation on death of an **individual benefit fund** or a relevant **scheme pension fund share** for providing benefits (see sections 25.1.1 and 25.3.2), must specify to **us** the proportion of the **individual benefit fund** or **relevant scheme pension fund share** that **you** would like to allocate. **We** will supply a standard form on request for this purpose (available from the

**appointed financial adviser).**

**You** can amend these instructions at any time, to take account of any changes in circumstances. **You** should update **us**, in writing, with any amendments to **your** instructions.

25.3 Where **you** die while receiving **scheme pension**, the relevant **scheme pension fund share** determined by the **advising actuary** as supporting **your scheme pension** (the 'Remainder Fund') at the time of **your** death will be distributed in the following order:

25.3.1 first, if **you** chose that the **scheme pension** should be paid for a minimum period of up to ten years, and **you** die within that period, the **scheme pension** will, subject to the review process described in section 23.2, continue to the end of that period.

**We** will at **our** absolute discretion pay the **scheme pension** to any one or more individuals (who do not have to be **participants** or **dependants**). **You** can complete an expression of wish form (available from the **appointed financial adviser**) to inform **us** of **your** wishes for who should receive the **scheme pension**. **We** will take **your** wishes into account but **we** are not bound by them. (When the **scheme pension** ends at the end of the fixed period, any remaining fund will be used to provide a pension for **your dependant(s)** as set out in the following section 25.3.2. If no **dependant(s)** can be traced, the provisions of section 25.3.3 will apply)

25.3.2 second, where **you** have provided **us** with prior instruction in accordance with section 25.2 that any part of the Remainder Fund after allowance for the payments described in section 25.3.1 should be used to provide a lump sum and/or a pension for a **spouse or civil partner**, then:

- a) payment of a lump sum in accordance with section 27 under the **Revenue's** annuity protection rules (as detailed in the **Finance Act**). The lump sum amount actually paid is dependent on the amount of any remaining Remainder Fund as determined by the **advising actuary** and/or
- b) allocation to provide a benefit in accordance with section 26.1 for **your** spouse or civil partner that **you** specify in the prior instructions. If, at the time of **your** death, **your** spouse or civil partner is no longer alive, or is no longer **your** spouse or civil partner, the provisions of section 25.3.3 will apply.

25.3.3 third, any remaining Remainder Fund shall be apportioned to the **general fund** (from which fees and other expenses are met – see section 18.10) pending **us** receiving instructions under section 25.3.4

25.3.4 fourth, the Remainder Fund apportioned to the **general fund** in respect of **you** may, subject to any **Finance Act** restrictions, be applied in such

one or more of the following ways and if more than one in such proportions as the **participants** may instruct **us** by **unanimous written agreement** at any time:

- a) in the provision of one or more annuity protection lump sum death benefits in accordance with section 25.3.2(a)
- b) towards the purchase of a **lifetime annuity** and/or designation as available for **drawdown pension** for a **dependant** or **nominated beneficiary**.
- c) paid out of the **scheme** as a lump sum to any individual
- d) apportioned to one or more **uncrystallised funds** of **members** aged under 75 who are not registered with the **Revenue** for either enhanced protection or any form of fixed protection or
- e) apportioned to one or more **scheme pension fund shares** and the rate of the relevant **scheme pension(s)** shall be increased by an amount recommended by the **advising actuary**

and in each case, if more than one, in such proportions as the **participants** instruct **us** in the **unanimous written agreement**.

**Unauthorised payment** tax charges and inheritance tax charges may arise in respect of (c), (d) or (e).

**Participants** should seek financial advice at the time before instructing **us** to apply the **general fund** under this section 25.3.4.

## **Death of dependant or nominated beneficiary**

25.4 If a **dependant** or **nominated beneficiary** dies while taking income through **drawdown pension**, the **drawdown pension fund** will be paid in such one or more of the ways set out in sections 26.3 and 27 as **we** in **our** absolute discretion may determine.

25.5 Where a **dependant** of a **member** dies while taking **scheme pension**, the associated **scheme pension fund** share that supported the **dependant's scheme pension**, as determined by the **advising actuary**, will be applied: in accordance with section 25.3.3.

## **26. DEPENDANT OR NOMINATED BENEFICIARIES PENSION**

26.1 Where, on **your** death, any part of an **individual benefit fund** or relevant **scheme pension fund share** is allocated to be applied for benefits in accordance with this section 26.1, **your** spouse or civil partner must decide which one or more of the following ways the part of the **individual benefit**

**fund** or relevant **scheme pension fund share** allocated to them should be used:

- 26.1.1 purchase a **lifetime annuity** in their name (see section 22)
- 26.1.2 apply for a **drawdown pension** on a flexible basis (see section 24) or
- 26.1.3 paid as a lump sum after deduction of any required tax charge (see section 27).

The application for **drawdown pension** must be made in writing using **our** prescribed application form, which includes agreement to the **terms and conditions** and the charges set out in the **guide to fees**.
- 26.2 If **your** spouse or civil partner fails to decide within three months of being asked to do so (or such longer period as **we** may at **our** discretion decide) which option should apply, then **we** may instigate the purchase of a **lifetime annuity** for them.
- 26.3 Where, on **your** death, **we** at **our** absolute discretion, may decide income should be payable to one or more beneficiaries. **You** can complete an expression of wish form (available from the **appointed financial adviser**) to inform **us** of **your** wishes for who should receive the income on **your** death. **We** will take **your** wishes into account but **we** are not bound by them. The beneficiaries must decide which one or more of the following ways the income should be paid to them:
  - 26.3.1 purchase a **lifetime annuity** in their name (see section 22)
  - 26.3.2 apply to take income as a **drawdown pension** (see section 24) on a flexible basis.
- 26.4 Any death benefits deriving from a **member's uncrystallised fund** in accordance with section 26.3 is subject to the following:
  - 26.4.1 it must be paid within two years of the date **we** first received notification of **your** death, or the date **we** could have first reasonably been expected to have known if earlier. If payment is not made within the two year period then additional tax charges may arise and
  - 26.4.2 where death occurs before age 75 the value of any **uncrystallised fund** must be tested against an allowance called the lifetime allowance, set by the **Revenue**. Where the lifetime allowance is exceeded, there will be a tax charge that the **dependant** or **nominated beneficiary** is liable for. **We** will provide details of this charge if appropriate.
- 26.5 Any payment in accordance with this section 26 shall be made after deduction of any required tax charge.

## 27. LUMP SUM DEATH BENEFITS

- 27.1 On **your** death any part of an **individual benefit fund** or relevant **scheme pension fund share** to

be applied in accordance with this section 27 shall be paid as follows:

- 27.1.1 first, where **you** have established an individual trust in respect of a lump sum that would be payable under the **scheme**, **we** will pay the lump sum to the trustees of that trust. **You** should ensure that **you** send **us** a copy of any such trust as soon as the trust is established and
- 27.1.2 second, where no such trust has been established, **we** may at **our** absolute discretion pay a lump sum to one or more lump sum beneficiaries (as defined in the **rules**). **You** can complete an expression of wish form (available from the **appointed financial adviser**) to inform **us** of **your** wishes for who should receive the death benefits. **We** will take **your** wishes into account but **we** are not bound by them.
- 27.2 Any payment in accordance with this section 27 shall be made after deduction of any required tax charge.
- 27.3 Any payment out of an **uncrystallised fund** in accordance with this section 27 is subject to the following:
  - 27.3.1 it must be paid within two years of the date **we** first received notification of **your** death, or the date **we** could have first reasonably been expected to have known if earlier. If payment is not made within the two year period, **unauthorised payment** tax charges will arise and
  - 27.3.2 where death occurs before age 75 the value of any **uncrystallised fund** must be tested against an allowance called the lifetime allowance, set by the **Revenue**. Where the lifetime allowance is exceeded, there will be a tax charge that the **dependant** or **nominated beneficiary** is liable for. **We** will provide details of this charge if appropriate.
  - 27.3.3 Where death occurs after age 75 the value of the **uncrystallised fund** lump sum is subject to a tax charge. **We** will pay any such lump sum death benefit after deduction of the required tax charge.

## 28. COURT ORDERS

- 28.1 **We** will comply with any court orders **we** receive in respect of **your individual benefit fund**, (for example, as a result of a pension sharing order, as part of a divorce settlement or on dissolution of a civil partnership).

## 29. TAXATION OF INCOME PAYMENTS

- 29.1 If **you** are receiving income payments from the **scheme**, the income **you** receive will be taxed under the Pay As You Earn System where applicable.
- 29.2 Where **we** have taken reasonable steps to identify **your** correct tax code, **we** will not be liable for any

loss whatsoever **you** incur as a result of the use of an incorrect tax code.

- 29.3 If **you** are receiving taxable income payments from the **scheme**, **we** will provide **you** with a P60 at the end of each tax year showing the gross income paid, tax code used and details of any tax deducted.
- 29.4 The tax position relating to **scheme pension** income and **drawdown pension** income is determined by the **Revenue** and, therefore, may be subject to change in the future.

## 30. HOW TO CONTACT US

- 30.1 **You** can contact **us** at the following address:  
Phoenix Wealth, Self Invested Pensions, PO Box 1394, Peterborough, PE2 2TQ  
Or by telephone on the following number:  
0345 034 2170
- 30.2 As part of **our** commitment to quality service and security, telephone calls may be recorded.
- 30.3 **We** have the right to telephone **you**, or someone else nominated by **you**, to discuss any administrative aspects without having been expressly invited by **you** to do so.

## 31. COMPLAINTS

- 31.1 Should **you** wish to register a complaint in relation to the operation of the **scheme**, then such a complaint should be made by contacting **us** in any of the ways detailed on the back page of this document.
- 31.2 If **you** are not satisfied with any aspect of the service that **you** have received from **us**, then **we** have a formal complaints procedure, a copy of which is available on request. Complaints **we** cannot settle may be referred to the Financial Ombudsman Service at:  
South Quay Plaza,  
183 Marsh Wall,  
London E14 9SR  
Telephone: 0800 023 4567  
Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)  
Website: [financial-ombudsman.org.uk](http://financial-ombudsman.org.uk)

Making a complaint will not prejudice **your** right to take legal proceedings. If any issues cannot be resolved by **us** to **your** satisfaction, the following independent organisations are available to provide help:

### The pensions advisory service (TPAS)

If **you** have problems concerning pension rights and are not satisfied by the information or explanation given, **you** can consult TPAS. Normally, contact should be made with a local TPAS adviser through **your** nearest Citizens Advice

Bureau. Alternatively, TPAS headquarters can be contacted at:

TPAS,  
11 Belgrave Road,  
London SW1V 1RB  
Telephone: 0345 601 2923  
Fax: 020 7592 7000

Email: [enquiries@pensionsadvisoryservice.org.uk](mailto:enquiries@pensionsadvisoryservice.org.uk)  
Website: [pensionsadvisoryservice.org.uk](http://pensionsadvisoryservice.org.uk)

If TPAS fails to resolve the problem, the matter can be referred to the Pensions Ombudsman.

### Pensions Ombudsman

The Pensions Ombudsman can investigate complaints of injustice due to maladministration, and disputes of fact or law in relation to a pension scheme, referred to it by members or beneficiaries. The Pensions Ombudsman can be contacted at:

The Pensions Ombudsman,  
11 Belgrave Road,  
London SW1V 1RB  
Telephone: 020 7630 2200  
Fax: 020 7821 0065

Email: [enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)  
Website: [pensions-ombudsman.org.uk](http://pensions-ombudsman.org.uk)

## 32. COMPENSATION

- 32.1 Operation of the **scheme** is covered by the Financial Services Compensation Scheme (FSCS). This means that if **we** become insolvent, and **you** have a valid claim against **us** in respect of the operation of or winding up of the **scheme**, then **you** may be covered for up to 100% of the first £50,000 of the claim.

If one of **our** banking partners became insolvent **you** may be covered under the FSCS for up to £85,000 of the money on deposit with that bank. The £85,000 limit will normally include cash held within **your scheme** together with any other money **you** hold with that same bank. For details about **our** banking partner see the **guide to fees**.

- 32.2 Some of the investments under the **scheme** may also be covered by the FSCS. Information can be obtained from the **FCA** and the FSCS:

**FCA** [fca.gov.uk](http://fca.gov.uk)  
**FSCS** [fscs.org.uk](http://fscs.org.uk)



### 33. CUSTOMER STATUS

- 33.1 **We** will treat **you** as a retail client. This means that **you** have the highest degree of protection available under the **Financial Conduct Authority** rules. This includes access to complaints and compensation procedures (where eligible). However **you** will not be covered for wrong advice unless this product was personally recommended to **you** by a financial adviser authorised by the **Financial Conduct Authority**.

### 34. VARIATIONS TO THE TERMS AND CONDITIONS

- 34.1 **We** reserve the right to amend, set aside or supplement any provision of these **terms and conditions** in the following circumstances:
- 34.1.1 if there are changes in applicable pensions, tax or other relevant legislation, regulation or industry codes of practice which affect the **scheme**
- 34.1.2 if there are changes in how the London Stock Exchange or other relevant investment or regulated markets may work which may impact on the operation of the **scheme** or
- 34.1.3 provided **you** are not detrimentally affected
- a) if there are changes in investment/share dealing administration or other infrastructure facilities, systems or means of communication which impact on the provision and operation of the **scheme** or
  - b) if there are changes to the services supplied to **us** by third parties relating to the **scheme**.

**We** can exercise this right upon giving **you** 30 days written notice, so far as it is practicable to do so. Any written notice will be sent to **your** last address that **we** hold. The proposed changes will take effect from the date stated in the written notice. During the notice period, if **you** are unhappy with the proposed changes, **you** should notify **us** and **you** will be able to transfer **your** benefits to another **registered pension scheme**. Any fees involved in realising (sell or cash-in) assets will be applied at the rates which apply at the time the assets are realised.

**We** have the right to amend, set aside or supplement any provision of these **terms and conditions** for any administrative or other reason not set out in section 34.1. **We** can exercise this right upon giving **you** written notice. The proposed changes will take effect from the date stated in the written notice. If **you** suffer a detriment as a result of any changes under this section 34.2, **you** should notify **us** and **you** will be able to transfer **your** benefits to another **registered pension scheme**. **We** will waive or pay any existing fees involved in realising (sell/cash-in) **pooled fund** assets, provided that the transfer is made within 90 days

(or such longer period as may be reasonably necessary in the circumstances) from the date on which **we** gave **you** written notice of the change.

### 35. WINDING UP OF THE SCHEME

- 35.1 The **terms and conditions** shall continue until the **scheme** is wound up in accordance with the **rules**. Wind-up occurs if:

- 35.1.1 **unanimous written agreement** is reached to wind-up or

- 35.1.2 **we** resolve to wind-up at **our** discretion, in accordance with the **rules**.

**We** will only exercise **our** discretion to wind-up in circumstances where it is fair and reasonable to do so. Circumstances where **we** would typically exercise **our** discretion include:

- a) the **appointed financial adviser** stops acting without replacement (see section 5.2)
- b) there are no **participants** with benefits in the **scheme** (excluding those in receipt of a **lifetime annuity**)
- c) the only **participants** with benefits in the **scheme** (excluding those in receipt of a **lifetime annuity**) are **minors**
- d) the **pooled fund** has been extinguished by the payment of a transfer value to another **registered pension scheme**, or provision of benefits in the appropriate form or if all of the **scheme's** assets have been realised in accordance with section 20 or
- e) where a **minor** does not, on reaching age 18, comply with the terms set out in sections 4.4.3 and 4.4.5.

**You** can ask the **appointed financial adviser** to obtain a copy of the **rules**.

- 35.2 On wind-up, **we** will apply the assets of the **scheme** in the following order:

- 35.2.1 meeting any fees and charges relating to the **pooled fund**, any borrowing to be repaid and any tax, interest or charge to which **we** are liable

- 35.2.2 in provision of any lump sum payable on the death of any **member** or **dependant** occurring before wind-up started

- 35.2.3 securing any entitlement to benefits in respect of each **member**, **dependant** or **nominated beneficiary** by:

- a) purchase of an immediate or deferred annuity from an insurance company or
- b) payment of certain lump sums that are permitted by tax legislation, specifically as set out in Section 166 of the **Finance Act** or
- c) transfer payments to other **registered pension schemes** in accordance with

## section 9

- 35.2.4 at **our** discretion make payment(s) out of the **scheme** as **unauthorised payments**.
- 35.3 Any **lifetime annuity** held within the **scheme** will be assigned to the person with the benefit of the annuity.
- 35.4 On wind-up, no fees or charges already paid shall be refunded and those due shall remain so and will include any charges associated with undertaking any transaction necessary to wind-up the **scheme**. On wind-up, the obligations of payment of charges in section 18 and the provisions in section 37 shall continue in full.
- 35.5 If **you** wish to pay **adviser charges** in relation to the **scheme** on wind-up, **you** will need to submit to **us** an **adviser charges payment request form** before the **scheme** is wound-up. If **we** do not receive instructions to facilitate the payment of **adviser charges** before the **scheme** is wound up, or if there are insufficient assets in the **scheme** to cover any such **adviser charges**, **you** will be responsible for settling and arranging any **adviser charges** separately with the **appointed financial adviser**.
- 35.6 Wind-up will be without prejudice to the completion of transactions already initiated.
- The **trustee** is authorised to continue to operate the **scheme cash account** to **our** order and direction for the purposes of receiving monies, paying benefits and paying any expenses or charges due to **us**, the **provider, trustee** or other parties.

## 36. CANCELLATION RIGHTS

- 36.1 When **you** join the **scheme** **you** will have 30 days to change **your** mind and cancel. **You** also have cancellation rights when **you** take benefits.
- If **you** intend to take benefits immediately on joining the **scheme** these cancellation rights will run concurrently with those for joining the **scheme**.

### Contributions

- 36.2 If **you** join the **scheme** by making a contribution it will normally be invested as instructed by **unanimous written agreement** or held in the **deposit bank account** until instructions are received. **We** will send **you** a cancellation notice which gives **you** 30 days from receipt to decide whether **you** wish to proceed or not.
- 36.3 If **you** decide to cancel, and **you** paid a regular contribution, it will be refunded in full. However if **you** paid a single premium contribution, and the value of any investments has fallen between **us** investing the contribution and receiving **your**

cancellation notice, **you** will receive less than the original value of **your** contribution. If the value of any investments has increased between **us** investing **your** contribution and receiving **your** cancellation notice, **you** will receive the original value of **your** contribution.

- 36.4 Any subsequent contribution (other than a transfer payment) invested on **your** behalf will not have cancellation rights.
- 36.5 **We** will not facilitate the payment of any **adviser charges** until the end of the 30 day cancellation period. If **you** cancel within the period, **you** may still be liable to pay the **appointed financial adviser** for the advice or services **you** have received, and **you** will need to discuss with them how these will be settled.

### Transfer payments

- 36.6 If the transfer payment is also **your** first contribution to the **scheme**, cancelling the transfer payment will also cancel **your** membership of the **scheme**.
- 36.7 If **you** wish to transfer funds from a money purchase pension scheme, **we** will send **you** a cancellation notice which gives **you** 30 days from receipt to decide whether **you** wish to proceed with the transfer. During the 30 day period, **we** will apply for the transfer value. Where **we** receive cash in respect of the transfer before the 30 day period has expired, it will normally be invested as instructed by **unanimous written agreement** or held in the **deposit bank account** until instructions are received.
- 36.8 If **you** apply for the **scheme** to accept a transfer payment from a defined benefit pension scheme, **you** will be given a cancellation substitute. This allows **you** 30 days from when **you** receive the cancellation substitute to decide whether **you** wish to proceed with the transfer. During the 30 day period, **we** will apply for the transfer value however **we** will ask the transferring scheme not to send the transfer value until the cancellation period has expired. This is because once the transfer payment has been received it is usually impossible to return it.
- 36.9 If **you** decide to cancel, **you** should return the cancellation notice or substitute to **us** within 30 days. **We** will then either contact the transferring scheme to stop the transfer proceeding or try to return the transfer payment where money has been received. If they will not accept the transfer back, **we** will arrange for the transfer to be sent to another pension provider of **your** choice. **You** will suffer any fall in the market value of the investments made with the transfer payment.
- 36.10 All subsequent transfer payments will also have cancellation rights.

**36.11** We will not facilitate the payment of any **adviser charges** until the end of the 30 day cancellation period. If **you** cancel within the period, the full value of any contributions paid will be returned. **You** may still be liable to pay the **appointed financial adviser** for the advice or services **you** have received, and **you** will need to discuss with them how these will be settled.

### Benefit options

**36.12** Whether **you** take a lump sum or not, **you** will have cancellation rights in respect of **your** decision to take benefits in the form of **drawdown pension**.

**36.13** On receipt of **your** application **we** will send **you** a cancellation notice. This gives **you** the right to cancel within 30 days of the date **you** receive the cancellation notice.

**36.14** If **you** wish to cancel, **you** should return the cancellation notice, together with a cheque for the full amount of any tax-free lump sum and pension payments already received. **We** will return the money, to the **scheme cash account**. Any charges incurred in the selling of assets to fund any payments will not be refunded.

**36.15** We will not facilitate the payment of any **adviser charge** until the end of the applicable 30 day cancellation notice period. If **you** cancel within this period, **we** will not deduct the **adviser charge**, but **you** may still be liable to pay the **appointed financial adviser** for the advice or services **you** have received, and **you** will need to agree directly with them how these will be settled.

### General

**36.16** Any **scheme** fees paid by **you** levied up until the point that **we** receive **your** cancellation will be refunded.

**36.17** **Your** right to cancel will remain unaffected if any circumstances beyond **your** control arise that make it impossible for **you** to enforce that right.

**36.18** If **you** do not wish to cancel, simply take no action. After the 30 day cancellation period has expired, any contributions and/or transfer payments received must remain within **your scheme** and cannot normally be accessed until **you** reach age 55, when they can be used to provide benefits in accordance with the **rules**.

## 37. ADDITIONAL INFORMATION

**37.1** We, the **provider** and **trustee** undertake not to disclose at any time information coming into **our** possession during the life of the **scheme**, except where expressly authorised to do so, or where required to do so by law.

**37.2** The tax reliefs referred to in the **terms and**

**conditions** are those available under current legislation, which may change. The value of the tax reliefs depend on individual circumstances.

**37.3** Notwithstanding anything to the contrary in the **terms and conditions**, only those options described in the **terms and conditions** will be made available under the **scheme** unless **we** notify **you** in writing to the contrary.

**37.4** It may be necessary for the **provider** to change the provisions of the **rules** to meet with any changes to law or regulation affecting the **scheme**. **We** will provide notice to **you** of any changes which are needed to meet such requirements, or for any other reason.

**37.5** Any notice **we** serve in relation to the **scheme** will be sent to **your** last known address for correspondence according to **our** records. Any such notice sent by post will be deemed to have been received by **you** within three business days.

**37.6** **You** need to tell **us** as soon as **you** move to another address.

**37.7** **We** have the right to delay calculation of any amount due under the **scheme** until **we** have received satisfactory proof of ownership. Similarly, the exercise of rights conferred by the **scheme** and payment of any benefit is subject to the satisfactory proof of ownership.

**37.8** **We** will not knowingly make any payment from the **scheme** which, in **our** opinion, would give rise to **unauthorised payment** tax charges, except for the purpose of dealing with any left-over fund that arises in accordance with section 25.3.4.

**37.9** **We** reserve the right not to make payment from the **scheme** for **adviser charges** which, in **our** opinion, would give rise to **unauthorised payment** tax charges,

**37.10** **We** and **you** have a free choice about the law that can apply to the **scheme**. **We** have chosen the law of England and Wales and, by agreeing to these **terms and conditions**, **you** agree that the law of England and Wales applies to the **scheme**. **Your** contract documents will be supplied to **you** in English and any subsequent correspondence with **you** regarding the **scheme** will be in English. English and Welsh courts shall have non-exclusive jurisdiction over any disputes that may arise.

**37.11** Subject to section 37.12, nothing in the **terms and conditions** expressly or impliedly confers any right on any third party to enforce any of its provisions under the Contracts (Rights of Third Parties) Act 1999. For the purpose of this section 37.11, a third party is any party which is not **us**, the **provider** or the **trustee**.

**37.12** **We**, the **provider**, the **trustee** and **you** can enforce the **terms and conditions**.

**37.13** These **terms and conditions** will only apply

provided they are not held by a relevant court or decided by the **Financial Conduct Authority** to be unfair contract terms or reasonably considered by **us** to be unfair contract terms.

If a term is held, viewed or considered to be unfair it will, as far as possible, still apply but without any part of it which could cause it to be held, viewed or considered unfair.

- 37.14 **Your** rights under these **terms and conditions** are not transferable or assignable, unless expressly permitted by these **terms and conditions** or by law or regulation.

### **38. LIABILITY AND RESPONSIBILITY**

- 38.1 There are circumstances where **we**, the **provider**, the **trustee** and any company within the **Phoenix Group** do not accept liability for certain aspects of the operation of the **scheme**. These circumstances are set out in sections 6.4, 11.5, 13.1, 15.1, 15.6, 18.8, 18.9, 20.2, 29.2 and 35.5 and in the first part of Appendix 1.
- 38.2 In accepting the **terms and conditions**, **you** promise that **you** will be responsible for and repay to **us**, the **provider**, the **trustee**, their employees, agents and any company within the **Phoenix Group** all reasonable costs, claims, expenses, tax charges, demands and losses whatsoever that **we**, the **provider**, **trustee** and any company within the **Phoenix Group** may suffer or incur in performing their duties under the **scheme** or carrying out their lawful duties and responsibilities in relation to **you**, except to the extent the same arise from the direct result of the negligence, wilful default or fraud of **us**, the **provider**, **trustee** or any company within the **Phoenix Group** concerned. **Your** promise will remain in force notwithstanding that **you** may transfer elsewhere. Nothing in the **terms and conditions** will exclude any obligations **we**, the **provider**, the **trustee** and any company within the **Phoenix Group** may have which the law does not permit to be excluded.
- 38.3 Further **we**, the **provider**, the **trustee** and any company within the **Phoenix Group** to the extent allowed by law and the **Financial Conduct Authority's** rules, do not accept liability:
- 38.3.1 for any or all losses, costs, actions, proceedings, claims and demands which may be incurred by or brought or made against any or all of them arising directly or indirectly from them having acted in good faith pursuant to any purported instruction relating to benefit options or nominations, payment of **adviser charges**, and any purported investment directions
- 38.3.2 to **you** or any other person entitled to benefit under the **scheme** for any loss that may be incurred as a result of any error by **you**, or by **your appointed financial adviser**, agent or attorney
- in transmitting any instruction, communication or **unanimous written agreement to us**, the **provider**, the **trustee** and any company within the **Phoenix Group** other than as a direct result of the negligence, wilful default or fraud of **us**, the **provider**, the **trustee** or any company within the **Phoenix Group**
- 38.3.3 for any instruction or investment direction sent by **you**, **your appointed financial adviser**, representatives or agents or attorney, but not received by **us**
- 38.3.4 for any failure or delay in implementing any instruction or investment direction which is caused by circumstances beyond their/**our** reasonable control, including but not limited to acts of God, fires, strikes, terrorism, power failures, intervention by exchanges or regulators, court orders, failure or error of any equipment, telecommunications, intermediary, exchange, counterparty product provider or bank
- 38.3.5 for any default, failure of, or any losses whatsoever caused by any third parties, **nominee companies**, other custodians, banks or authorised institutions which hold any assets including, but not limited to, insurance company unit-linked funds, stocks and shares, unit trusts, Open-Ended Investment Companies (OEICs) and investment trust companies and cash for the purpose of the **pooled fund**
- 38.3.6 for the agreement of the amount of any **adviser charge** payments or non-payments with any adviser, **DFM** or other party, whether the payment of these is facilitated through the **scheme** or not and
- 38.3.7 for any losses, costs, actions, proceedings, claims and demands which may be incurred by **you** or made against **us**, the **provider**, the **trustee** or the **Phoenix Group** arising directly or indirectly from any **adviser charge** payments or non-payments, in each case whether the payment of these is facilitated through the **scheme** or not, other than as a direct result of **our** fraud, negligence or wilful default in facilitating the payment of **adviser charges** through the **scheme**.

# APPENDIX 1

## Permitted and non-permitted investments

These guidelines are based on **our**, the **provider's** and the **trustee's** understanding of present law and current **Revenue** practice. The list of investments permitted may vary from time to time and might not include all investments that the **Revenue** rules allow. If an investment is removed from the list, **we** will give **you** 30 days written notice of this. **We** may then also require **you** to disinvest **your** existing investment in the investment type that **we** are removing, in which case **we** will tell **you** in the notice and **you** will then need to disinvest within the time period specified in the notice (which will be at least 30 days) as explained in section 34.

**We**, the **provider** and the **trustee** will not assess the advisability of any proposed investment. **We** have the right to:

- a) decline to accept any investment instruction and/or
- b) realise (cash-in) any investment where in **our** opinion, the investment:
  - (i) is likely to lead to an **unauthorised payment** tax charge in terms of the **Revenue** rules or is deemed unsuitable or
  - (ii) would limit or restrict in any way **our** ability to administer the **scheme** or obtain an appropriate valuation where the connected costs would be prohibitive

and **we** do not accept liability for any loss suffered by the **scheme** as a result.

**Please note:** The majority of permitted investments will be purchased and held on behalf of the **trustee** by one of our appointed third parties. You may be required to enter into an agreement with the third party before the investment can be purchased.

## Stocks and shares

Stocks and shares traded on the London Stock Exchange (including AIM) or a **Revenue** recognised overseas exchange or any **FCA** recognised investment exchange. This covers the majority of transferable securities, including:

- Equities (shares in companies)
- Fixed-interest securities issued by governments or other bodies
- Debenture stock or other loan stock
- Warrants
- Permanent Interest Bearing Shares (PIBS)
- Convertible securities
- Exchange Traded Funds (ETFs)
- Depositary interests

## Investment and venture capital trusts

Investment or Venture Capital Trusts that are listed, or dealt in, on a **Revenue** or **FCA** recognised exchange.

## UK Real Estate Investment Trusts (REITS)

REITs that are resident in the UK for tax purposes subject to the **scheme** (and any associated person or pension scheme) holding less than 10% of the share capital, voting rights or rights to receive income from the UK REITs.

## Unit/shares in collective investment schemes

Unit Trusts:

- Authorised Unit Trusts based in the UK and **FCA** regulated
- Unauthorised Unit Trusts whose gains are not chargeable by virtue of Section 100(2) of the Chargeable Gains Act 1992
- Open-Ended Investment Companies (OEICs)
- Undertakings for Collective Investments and Transferable Securities (UCITS)
- Other Collective Investment Schemes authorised, regulated or approved by Organisation for Economic Co-operation and Development (OECD) countries (but excluding Turkey), Jersey, Guernsey, Isle of Man (IOM), Cayman Islands, Hong Kong or Singapore

## Insurance company managed and unit linked funds

Insurance company must either be:

- Based and authorised in UK or EEA or
- Based and authorised in the Isle of Man and authorised to carry out business in the UK by **FCA**.

## Structured products

The structured product must be either a:

- Sterling deposit with a licensed deposit taker under which access is available to funds throughout the term, albeit with penalties, and no partial withdrawal is possible.
- An equity based product providing a level of income/growth over a specified period with return of capital at the end. The underlying equity investment to be listed on a recognised stock exchange.

## Commercial property\*

Leasehold and freehold (provided, at our discretion, that this is not jointly owned with other entities).

Limited indirect investment in taxable property via genuinely diverse commercial vehicles as defined in the Registered Pensions Schemes manual.

### **We will not permit the following investments:**

Unlisted Securities – shares not quoted on a recognised stock exchange

Any geared/leveraged investment (e.g. Contracts for Difference) which has the potential to create a debt for the investor beyond the loss of the original investment.

Overseas property.

\*Specific **commercial property** exclusions include but are not limited to:

- Holiday accommodation and caravan parks
- Any property or land that has, as a primary or secondary use, facilities that are used for leisure or recreational purpose (e.g. golf course)
- Petrol stations
- Flying or supporting freeholds
- Short-term leaseholds
- Fixtures/Fittings and Goodwill

Any collective investment scheme domiciled in a jurisdiction which appears on a Financial Action Task Force (FATF), OECD or other similar body's blacklist

Direct or indirect investment in any asset that, in **our** opinion, may be treated as a taxable property. This consists of residential property and most tangible moveable assets to which tax charges apply in accordance with Sections 174A, 185A to 185I, 273ZA and Schedule 29A **Finance Act**. Residential property can be in the UK or elsewhere and is a building or structure, including associated land, gardens, grounds and any structure thereon, that is used or suitable for use as a dwelling. Tangible moveable investments are things that **you** can touch and move including, but not limited to, assets such as plant and machinery, art, antiques, jewellery, fine wine, classic cars and yachts

Any property or asset capable of personal use by **members** or **dependants** or those connected with them, including members of their household and guests

**We** may also refuse to allow investment in any asset on the grounds of illiquidity and/or difficulty in obtaining ongoing valuations.

### **Note**

The value of investments, and the income from them, may fall as well as rise, and **you** may not recover the amount of the original investment. Where investments are denominated in a currency other than sterling, changes in rates of exchange may have an adverse or favourable effect on the value, price or income of the investments. It should be remembered that with any type of investment, past performance is not a guide to future performance.

## FINANCIAL ADVISER

For more information about the Family Suntrust and the options available to you, please speak to the financial adviser.

Financial advisers use a variety of different ways to charge you for their services and you will be liable for any charges incurred. Please ask a financial adviser for full details of these charges.

## CONTACT US

If you want more information about Family Suntrust please:

**Call us on 0345 034 2170**

Available 8.30am – 5.30pm, Monday to Friday. As part of our commitment to quality service and security, telephone calls may be recorded.

**Email us at [SIPPenquiries@sipp-phoenixwealth.co.uk](mailto:SIPPenquiries@sipp-phoenixwealth.co.uk)**

Please be aware that emails are not secure as they can be intercepted, so think carefully before sharing personal or confidential information in this way.

**Visit us here [phoenixwealth.co.uk](https://phoenixwealth.co.uk)**

to access up to date information about our products and fund ranges.

**Write to us at**

Phoenix Wealth, Self Invested Pensions, PO Box 1394, Peterborough, PE2 2TQ