

# RETIREMENT WEALTH ACCOUNT

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CHARGES – for Self-invested plans only (Charges as at 31 July 2024)

This guide contains information about the charges that are applicable to plans issued **before 1 September 2014**.

The amount and frequency of these charges depend on the investments you make, the options you choose and the amount of trading you do.

Throughout this guide we make reference to additional documents in **bold** type, which contain more detailed information. If you'd like copies, you can find these at [www.phoenixwealth.co.uk/Literature](http://www.phoenixwealth.co.uk/Literature)

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# PRODUCT CHARGES

## Annual product charge

This charge is taken at outset for general administration including preparing and processing your application, opening the SIPP Cash Account and processing any fees relating to the payment of contributions into the plan. It's taken annually on your charge date for the ongoing administration of the plan.

Annual product charge	Reduced annual product charge
£620	£470*

**\*Applies if you have an investment of £50,000 or more in Phoenix Wealth Pension Funds at the point that the charge is due. If you only held Phoenix Wealth funds and cash over the previous charge year, we'll waive the product charge for that year.**

If you ask to start drawdown at outset, it cannot start on the day your plan is set up. This means the first annual product charge will have been deducted before the tax-free lump sum is calculated.

## Phoenix Wealth Pension Fund charges

Charge	Detail	Amount and payment frequency	More information
<b>Annual fund management charges</b>	% of fund depending on the fund(s) chosen	1/365th of the appropriate Annual fund management charge is deducted daily and allowed for in the unit price.	Some funds may be subject to fund expenses, which can vary frequently, and are in addition to the Annual fund management charge. They are deducted from the underlying fund on a daily basis and are reflected in the unit price. You can get details from your financial adviser for individual fund charges that apply.  Please see the <b>Retirement Wealth Account fund list</b> at <a href="http://phoenixwealth.co.uk/literature">phoenixwealth.co.uk/literature</a> for more information.

## Pension benefit charges

Charge	Detail	Amount* and payment frequency	More information
<b>Flexi-access drawdown charge</b> (including drip feed drawdown)	This is an additional annual charge for plans in flexi-access drawdown.	£280 payable when you start flexi-access drawdown and annually on your charge date.	Notes 1 and 2 on page 7
<b>Flexi-access drawdown charge</b> (including Drip feed drawdown) – <b>for customers in flexible drawdown before 6 April 2015</b>	This is an additional annual charge for plans in Flexible drawdown prior to 6 April 2015 converted to flexi-access drawdown from 6 April 2015.	£280 payable annually on your charge date. (There is no charge to convert to flexi-access drawdown).	Notes 1 and 2 on page 7
<b>Capped drawdown charge</b>	This is an additional annual charge for plans in capped drawdown.	£280 payable on transfer in of funds already in capped drawdown and annually on your charge date.	Note 1 on page 7
<b>Lump sum withdrawal charge</b>	A charge taken when part or all of the pension fund is taken by an uncrystallised funds pension lump sum (UFPLS).	£0	

**\*If you only held Phoenix Wealth funds and cash over the previous charge year, we'll waive any benefit charges for that year.**

# INVESTMENT CHARGES

This section details the charges for investing in different asset types. Buy and sell trades are classed as separate transactions for charging purposes.

Asset/Charge	Detail	Amount	More Information
<b>Phoenix Wealth transaction charge</b>	This charge is in addition to charges for trades made online via Winterflood Business Services.	£31 per transaction.	Note 3 on page 7
<b>Mutual funds – investment charges</b>	<p>These charges will vary depending on the fund chosen.</p> <p><b>Initial charge</b></p> <p>Some funds have an initial charge taken as a percentage of the amount being invested in the chosen fund.</p> <p><b>Ongoing Charges Figure (OCF)/ Total Expenses Ratio (TER)</b></p> <p>The annual percentage fund manager charges and expenses applicable to each fund, as varied from time to time in accordance with the fund's Prospectus. The investment charges applicable to each fund are available on request.</p>	Variable	Note 4 on page 7
<b>Mutual funds – switching charge</b>	The fund switching charge applies to the 'buy' element of a fund switch and is applied at the point the switch transaction is made.	Up to 0.25% of amount switched (capped at £1180 per trading year)	Currently we do not apply this charge but we reserve the right to apply it in the future in accordance with section 4.7 of the <b>Terms &amp; Conditions</b> and we will let you know if we do so.
<b>Equities and other quoted investments</b>	Traded online via Winterflood Business Services.	£12.50 per transaction	Notes 5 and 11 on pages 7 and 8
<b>Discretionary fund management (DFM)</b>	We do not charge you for investments you make through a DFM. However, they will apply their own charges and let you know separately what these are.	Variable	Contact your financial adviser
<b>Commercial property</b>	You will have to pay charges for the purchase, sale, transfer and ongoing administration of commercial property.	Variable	<b>Investment in commercial property</b> guide

**Charges will vary depending on the investment choices made and the amount of trading activity undertaken.**

## Value added tax

UK VAT is levied at the standard rate on these charges for UK or EU residents. However, transaction-related charges (e.g. dealing commission, certificated and overseas custody charges) are exempt from VAT.

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# FUND REBATES

## Phoenix Wealth fund rebates

We will value your holding in Phoenix Wealth Pension Funds on a monthly basis starting one month from the date you start the Retirement Wealth Account. We multiply this value by the corresponding annual rebate percentage and divide by 12 to give one month's rebate value.

We use this value to buy and then add extra units proportionately across your existing Phoenix Wealth Pension Funds holdings.

The rebate will vary month to month based on the value of your holding in Phoenix Wealth Pension Funds.

Rebates don't apply to upgrades from S1, 2 or 3 personal pensions.

Value	Annual rebate
<b>Less than £50,000</b>	0%
<b>£50,000 and over, but less than £250,000</b>	0.45%
<b>£250,000 and over, but less than £500,000</b>	0.50%
<b>£500,000 and over, but less than £1m</b>	0.55%
<b>£1m or more</b>	0.60%

\*You may have received a higher level of rebates due to a special offer on policies that started after 12/09/2013. The rebate levels for fund values of £50,000 or more on those policies are 0.05% higher than the values in the table.

# ADVISER PAYMENTS

## Adviser charges

You can agree with your financial adviser the best way to pay for their advice and services you receive. You can do this either:

- directly, in which case you need to speak to your financial adviser about the options available to you
- through the money you invest in your plan. If you choose this option, then the following table shows the type of adviser charges you can agree to pay. Under this option, we act only as the facilitator of these charges by deducting them from your plan to pay your financial adviser. The arrangement as to the amount and frequency of charges is between you and your financial adviser.

Type of Adviser Charge	When can it be paid	Type of payment	Duration and frequency
<b>Initial adviser charge</b>	This can be paid on single and regular contributions, transfers in, commencing drawdown and upgrading to Self-invested option.	A fixed amount or a percentage of the value of the transaction.	A one-off payment that will be deducted at the time of the transaction. The exact timing will depend on the type of transaction and whether you opt for a fixed amount or percentage.
<b>Spread initial adviser charge</b>	This can only be paid on regular contributions.	A fixed amount or a percentage of the value of annualised contributions.	Spread over a period of time chosen by you, but must end before your selected retirement age. It is deducted from your plan each month.
<b>Ongoing adviser charge</b>	A regular payment for ongoing advice and services your financial adviser has agreed to provide you with.	A fixed amount or a percentage of your plan's value.	Paid monthly, quarterly, six monthly or annually for the full term of your plan.
<b>Ad hoc adviser charge</b>	You can agree with your financial adviser for a one-off payment to be made as and when you receive advice or services. If you expect this to happen often, you can authorise your financial adviser to receive a number of ad hoc payments up to a maximum amount each year. This is known as the ad hoc adviser charge limit.	A fixed amount of money.	Unless you have set up an ad hoc adviser charge limit, you must instruct us each time you want us to pay your financial adviser.  If you have set up an ad hoc adviser charge limit your financial adviser will instruct us to deduct an amount of money each time they provide you with a chargeable service. The maximum limit applies each year for the full term of your plan*.

\*We will confirm to you each time we make a payment to your financial adviser. We will not make any payment if the request would mean the payments made would be above the yearly maximum set.

To allow us to facilitate the payment of adviser charges through your plan, you will need to complete an **Adviser charges payment request** form, available from your financial adviser; for a one-off ad hoc adviser charge you just need to write to us. We will only make a payment to your financial adviser when there is sufficient value in your plan to cover the payment in full.

You can amend or cancel any adviser charges being taken from your plan by writing to us at any time, although you will then need to agree with your adviser how you will settle any outstanding charges.

Where you have agreed to pay your financial adviser through your plan, adviser charges will be detailed in your illustration. Depending on when you took out your plan you may also be paying for advice through Flexible Adviser Remuneration (FAR) or Funded Initial Commission (FIC). If this applies to you, please see the section 'Previous adviser remuneration options' below.

## Investment advice charges

If you select an investment advice/deals manager to act on your behalf, they will also apply their own set of charges. They will tell you what these are separately.

You will need to pay these charges as well as our charges and any adviser charges you may have agreed to pay from your plan.

You will need to pay investment advice manager charges directly as this cannot be paid through your plan; investment deal manager charges can be paid through your plan – you will need to specify this at the start of your plan in the **Investment agreement**.

You should make sure you understand what these charges are for and that you have agreed to pay them.

## Previous adviser remuneration options

Adviser charging was introduced to the Retirement Wealth Account in late 2012. Before adviser charging was introduced we paid remuneration to financial advisers through FAR and/ or FIC. If your plan started before then, you may have chosen none, one or more of the following options:

- FAR initial payment
- FAR renewal payment
- FIC initial payment

From the end of 2012 it is not possible to set up new FIC or FAR arrangements, or increase existing FIC and FAR arrangements. New payments to financial advisers will need to be made through adviser charging. Existing FIC and FAR arrangements can continue along with any new adviser charges.

## Flexible Adviser Remuneration

### Initial Payment

You may have agreed with your financial adviser for an initial payment to be made from your plan. If so, the payment will have been either a percentage of contributions or a monetary amount, deducted from your plan either at outset or when regular contributions are received. If you continue to make regular contributions where FAR is applicable, it will continue to be deducted when each contribution is received in your plan.

### Renewal Payment

You may have agreed to pay renewal payments to your financial adviser for ongoing advice you receive for your plan. If so, these will continue. These payments are deducted from your plan at agreed intervals and will be either a percentage of the fund or a monetary amount. You can agree with your adviser to stop renewal FAR and replace it with an adviser charge.

Please see sections 6.1 and 7.1 of the **Terms & Conditions** for details of what we do when there is insufficient value in the part of your plan on which FAR is due.

## Funded Initial Commission

### Initial Payment

You may have agreed with your financial adviser for an initial payment to be paid by Phoenix Wealth to your financial adviser. If so, the FIC payment will have been either a percentage of contributions or a monetary amount.

Through FIC, a commission monthly set-up charge will have been established and will continue to be deducted from your plan over an agreed number of months (known as the commission monthly set-up charge period). The commission monthly set-up charge equals the total FIC paid to your adviser, divided by the number of months in the commission monthly set up charge period.

Please see sections 6.1 and 7.1 of the **Terms & Conditions** for details of what we do when there is insufficient value in the part of your plan on which FIC is due.

If your financial adviser was remunerated under FIC and your plan is terminated (such as by retirement, surrender or death) or moves into Flexi-access drawdown before the end of the commission monthly setup period, you may incur an early surrender charge. The early surrender charge will be equal to any commission monthly set-up charges remaining. For plans moving into Flexi-access drawdown, early surrender charges will be applied (to the value of the outstanding FIC amount) after the payment of any requested tax free lump sum.

In addition, if FIC has been selected and the plan is transferred out before the end of the commission monthly setup charge period, an early surrender charge will apply (as described on page 5 – Adviser payments).

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# NOTES

## 1. Drawdown charges

Money can be placed into drawdown pension in stages or you may make a future transfer of funds already in drawdown pension. The annual drawdown charge covers all amounts in drawdown pension.

If you transfer in funds already in capped drawdown and subsequently convert them to flexi-access drawdown, the flexi-access drawdown charge is payable on the anniversary of the date the capped drawdown was transferred in.

We do not currently charge for one-off income payments, although we may do in the future in accordance with section 8 of the **Terms & Conditions**.

Please refer to the **Pension benefits guide** for further information on taking drawdown benefits.

## 2. Drip feed drawdown

Should you take funds via drip feed drawdown this will incur the annual flexi-access drawdown charge, payable annually from the date drip feed starts. However, if you already have a drawdown element the charge is payable on the anniversary of the date drawdown first started. The charge is payable throughout the drip feed period.

The flexi-access drawdown charge will be taken from the drawdown fund, if there is sufficient value, after any taxable income has been paid. If, during drip feed, there is insufficient value to take the charge from the drawdown fund (for example, where the full income amount consisting of both the tax-free and taxed element is taken, and there was no drawdown fund previously) then the charge is taken from the uncrystallised funds.

If drip feed stops leaving no flexi-access drawdown funds, then the annual flexi-access drawdown charge stops. If drip feed stops leaving some flexi-access drawdown funds, then the flexi-access drawdown charge continues to be deducted annually from the drawdown fund.

## 3. Transaction charges

The Phoenix Wealth transaction charge applies when trades are made online via Winterflood Business Services. It is also payable when trades are made on your behalf by our Investment Support Team. This charge does not apply to trading in Phoenix Wealth Pension Funds or mutual funds traded online through FNZ, the Scheme's appointed Investment Administrator. This charge is payable from the SIPP Cash Account at the point the transaction is made. This charge is capped at £465 per trading year (other transaction charges, such as online equity trading charges may still apply).

## 4. Mutual funds – investment charges

Fund manager charges are often referred to as OCF (Ongoing Charges Figure) or TER (Total Expenses Ratio). The OCF and TER are two methods of measuring the total annual costs associated with managing and operating an investment fund such as a mutual fund. They also include Auditor's, Regulator's and any applicable Performance fees. Neither OCF nor TER includes any product charges. Fund manager charges are deducted from the mutual fund on a daily basis and are reflected in the unit price.

Any funds bought prior to the 6 April 2014 through the online dealing platform may also benefit from a rebate to the SIPP Cash Account. This is known as a Mutual Fund Rebate and will be paid at a frequency determined by the fund manager.

Changes in FCA regulation, effective from 6 April 2014, mean that we can no longer pay you cash rebates on new investments in mutual funds.

## 5. Online equity trading charges

This charge applies to instructions to trade in equities and other quoted investments which we transmit on your behalf via our online trading system to Winterflood Business Services, the Scheme's appointed online stockbroker. This charge is payable in addition to the Phoenix Wealth transaction charge and will be deducted from the SIPP Cash Account on settlement of the trade. The charge includes the charge made by Winterflood Business Services for executing the trade. Details of the Winterflood Business Services charge are available on request.

## 6. Transfer charges

Phoenix Wealth does not charge for transfers out of the Retirement Wealth Account, however, there may be some outstanding transaction charges, or contract charges that need to be settled before the transfer can take place. You may also incur charges from the receiving scheme.

In addition, if FIC has been selected and the plan is transferred out before the end of the commission monthly setup charge period, an early surrender charge will apply (as described on page 5 - Adviser payments).

## 7. Cancellation

Where you have a right to cancel, we will send you a cancellation notice. If you choose to cancel, any charges we have taken up to the point we receive your notice to cancel the plan will be refunded as applicable. Fees charged by third parties (for example, if you have appointed an investment manager) may still be deducted.

Any adviser charges we have taken from your plan and paid your financial adviser, up to the point we receive your notice to cancel the plan, will be refunded in full. Your financial adviser will be responsible for paying back to us any payments we have made to them. You may still be



liable to pay your financial adviser for the advice or services you have received, and you will need to discuss with your financial adviser how these charges will be settled.

## 8. Former protected rights funds

If you started self investment before 6 April 2012 then any former protected rights will be held separately. Trading on the former protected rights will incur separate management and transaction costs.

## 9. Annuity purchase and pension sharing orders

We do not apply additional charges for annuity purchase or for administering a pension sharing/earmarking order as a result of a divorce.

## 10. SIPP Cash Account

This is a Trustee bank account operated by us under the Self-invested option. The account is held with our banking partner NatWest and will hold contributions, transfers and investment income credited to your plan. It is from this account that any charges, including any agreed adviser charges, drawdown pension payments and investment trade charges can be made subject to sufficient cash being available. It is your and your financial adviser's responsibility to make sure there is sufficient cash available to meet these charges or a delay may occur if any other deductions are due at the same time. You can find more information about cash management in the **Terms & Conditions**.

NatWest will pay interest on your money held in the cash account at a commercial rate. Interest credited to the account is variable (minimum rate zero). It is calculated on the account's daily cleared balance and credited to your plan monthly.

## 11. Foreign exchange trades

When you trade an asset that cannot be traded in British pounds sterling (GBP), a foreign exchange charge is applied and paid to Winterflood Business Services, the Scheme's appointed online stockbroker. This is known as a 'spread charge'.

The spread charge has the effect of increasing or decreasing the GBP exchange rate for the relevant currency at the time of the trade by 0.75%, depending on whether you are buying or selling. When you place an order the currency conversion takes place automatically and the GBP price you are quoted will take into account the spread charge.

## Example

If you place a 1,000 US Dollar trade at an exchange rate of 0.63892, the GBP equivalent is £638.92.

If you are:

- buying, the price quoted will be £643.71 (i.e. the exchange rate is increased by 0.75%)
- selling, the price quoted will be £634.13 (i.e. the exchange rate is reduced by 0.75%)

So in this example, a £4.79 spread charge will be applied in both cases.

## Please note

All charges expressed as a monetary amount (excluding the £50,000 qualifying investment amount applicable to the reduced annual product charge and the Phoenix Wealth fund rebate thresholds) may be increased annually, in line with the Average Weekly Earnings Index (or other suitable index), normally on 1 July.

We reserve the right to amend our charges and will notify investors accordingly. If changes to our charges are proposed for any reason other than stated above, we will endeavour to write to you no less than 30 days before implementation with our reasons. For further information on the product details and terms, please refer to the **Terms & Conditions**.

Our products are not currently liable to VAT. We reserve the right to increase charges accordingly in the event that there is a change in the price of services as a result of a change in VAT rules or any other applicable tax.

We reserve the right to charge for additional services outside our normal administrative activities on a time cost basis. The time cost is currently charged at £155 per hour, and prior notification will be given if this charge is likely to apply.

If you have selected the Self-invested option, other than fund management charges, all charges levied by us will be deducted from your SIPP Cash Account. You will need to ensure there is sufficient cash available to cover the charges. Please refer to the **Terms & Conditions** for an explanation on the process where there is insufficient cash available.

Discretionary fund manager (DFM) charges will be taken from the DFM Portfolio that has been established.

For Phoenix Wealth Pension Funds Only option we will deduct all charges, other than fund management charges, by cancelling units in the funds you hold. This will reduce the value of your plan.



## FINANCIAL ADVISER

For more information about the Retirement Wealth Account and the options available to you, please speak to your financial adviser.

Please note that 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 your financial adviser for full details of these charges

If you do not have a financial adviser and would like to speak to one in your area, you can visit **[unbiased.co.uk](https://unbiased.co.uk)**.

## CONTACT US

If you would like more information about your plan, please:

Call us on **0345 129 9993**

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)**

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