PHOENIX WEALTH

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RETIREMENT

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Important Information

The Financial Conduct Authority is a financial services regulator. It requires us, Phoenix Wealth Services Limited, to give you this important information to help you to decide whether our Family Suntrust is right for you.

You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

The date we produced this document is shown on the last page. If you are not sure you have the latest version contact the Financial Adviser.

You need to be comfortable that you understand the benefits and risks of this product. The purpose of this document is to help you to make an informed decision.

However, it doesn't include all the definitions, exclusions, and terms and conditions. We include these in the **Family Suntrust Scheme – Terms & conditions**.

You must get financial advice before you make decisions relating to a Family Suntrust.

Please read this document with the enclosed illustration.

For more information

Throughout this document we make reference to a number of additional documents which contain more detailed information about the risks and features of this product. The titles of these documents appear in **bold** type. You can ask the financial adviser or call us on 0345 034 2170 for copies.

CONTENTS

Important information 03

Questions and answers 05

Making contributions and transfer payments 07

Making Investments 08

Taking benefits 09

Tax 10

Further information 11

IMPORTANT INFORMATION

What is a Family Suntrust Scheme?

A Family Suntrust Scheme (the 'Scheme') is an individually registered personal pension scheme. It is designed for groups of individuals such as families or business partners. The Scheme's investments are managed as one portfolio known as the Pooled Fund. All Scheme assets are part of the Pooled Fund. Its purpose is to let you and the other participants combine your individual pension investments so they are managed as one portfolio, based upon a common investment approach.

Any investment growth achieved by the Pooled Fund will be allocated to participants on a proportionate basis.

The choices you and the other participants make in relation to the Pooled Fund need to take into account the aims and attitudes to risk of all of its participants. As such, decisions affecting the Pooled Fund must be agreed unanimously by all participants and given to us in writing. This is known as unanimous written agreement.

There is more information about how the Pooled Fund works and unanimous written agreement in the **Family Suntrust – Product guide.**

Who can join a Scheme?

Normally anyone can join as long as they live in the UK. If they are under 18 it is a condition of membership that their parent or guardian is also a participant and agrees to act on their behalf.

All the existing participants will need to agree to your membership.

Should I consider joining a Family Suntrust Scheme?

A Family Suntrust Scheme may be suitable for you if you want:

- a tax-efficient way to build up a pension fund
- to combine your pension investments with other individuals to increase investment choice and flexibility
- a choice as to how you take your income
- the opportunity to provide for your dependants/beneficiaries when you die.

If your employer offers any other pension plans, you should consider them first before deciding to invest in a Family Suntrust Scheme.

Its aims

- To help you build up a sum of money in a tax efficient way which can be used to provide income when you take benefits, or, if you prefer, a reduced level of income and a tax-free lump sum.
- To allow you to provide a lump sum and/or income for dependants/beneficiaries on the event of your death.

Your commitment

As a participant of the Scheme you will need to:

- comply with the **Family Suntrust Scheme – Terms & conditions**
- pay a contribution into the Scheme, arrange a transfer payment from another pension scheme, or be entitled to dependant's/beneficiary's benefits under the Scheme
- make all decisions affecting the Pooled Fund with the other participants of the Scheme by unanimous written agreement
- agree to always have a Financial Adviser in place who has been appointed by all participants in the Scheme
- tell us if you stop using or change the Financial Adviser
- if you're making contributions, tell us if you stop being eligible for tax relief on your payments. For example, if the sum of all of your pension payments in a tax year is greater than your earnings for that tax year.

Risks

There are a number of risks involved with investing through Family Suntrust. These risks may be to the detriment of the value of your benefits in the Scheme. Therefore, the level of benefits you get back may be less than shown in your illustration. It is not possible to explain every risk that could affect you. You should discuss all the risks relating to the Scheme, and the particular investments you are considering, with the Financial Adviser. The risks include:

General Risks

The effect of fees and charges

These could be higher than assumed.

The effect of tax

Tax rules regarding benefits may change at any time and their effect will depend on your personal circumstances.

Insufficient available cash in the Scheme cash account

If there is insufficient cash in the Scheme cash account to cover things such as ongoing fees, charges and benefit payments and a contribution can't be made, assets will need to be sold to provide the money. This may be to the detriment of the value of the Pooled Fund and will affect the value of each participant's share.

The participants cannot agree unanimously

If unanimous agreement cannot be reached the Scheme Administrator may need to sell assets to pay items such as benefit payments, fees and charges. This may not be what the participants want to happen and may be to the detriment of the value of the Pooled Fund and each participant's benefits. The order in which assets will be sold is set out in the **Family Suntrust Scheme – Terms & conditions.**

Transferring in from another scheme

If you are transferring in there are other risks to be aware of. Please see the section 'Can I transfer in from another pension scheme?' on page 7.

Investments

Investment performance

The value of investments may fall as well as rise and is not guaranteed. This means:

- if the investment growth does not cover the Scheme charges the value of your benefits will reduce
- if investment growth, less fees and charges, is lower than any income you take, your share of the Pooled Fund will fall and this could affect the income you can take in the future.

Differences in the investment attitudes of participants

The common investment strategy may not match the investment strategy you would choose if you were investing on your own. This could mean the Pooled Fund is exposed to a different level of risk than you would take if you were investing on your own. Your benefits may therefore be lower than they would have been if you had followed your own investment strategy.

Difficulties with realisation of assets

Some investments may take longer to sell than others (for example commercial property) and it may not be possible to sell these investments when desired. The delay could be considerable and depends on market conditions at that time. This could result in a delay in paying benefits and affect the amount paid.

Specific investment risks

It is not possible to explain every risk in relation to particular investments you are considering. You should speak with the Financial Adviser for specific information.

Value of the Pooled Fund

The value of your share of the Pooled Fund can fall as well as rise and is not guaranteed. This means you may receive less in benefits than payments made.

Taking benefits

Chosen benefit date

Taking benefits before the date shown in your illustration is likely to mean benefits will be lower than illustrated.

Taking an income

By taking income from your share of the Pooled Fund, together with any charges, you are reducing the value of your share of the Pooled Fund and potential for future growth – particularly if you take high levels of income and/or investment returns are poor. The value of your drawdown fund could fall below the amount originally placed in drawdown and could even run out sooner than illustrated.

Taking high levels of income though drawdown could be unsustainable and could exhaust the fund. With capped drawdown the maximum income that can be taken must be regularly reviewed and may reduce over time, particularly if a high level of income is being taken.

Withdrawing your entire share of the Pooled Fund as a lump sum will mean that you are no longer a Participant of the Scheme and no further benefits will be payable.

Tax

Tax treatments are subject to change and individual circumstances. You will be taxed at your marginal rate when taking an income. Taking high income and/or lump sums may mean you will pay more tax, and could cause you to enter a higher tax bracket.

Taking money from your pension savings can affect any means tested benefits you are entitled too. This may result in the loss or reduction of these benefits. If you are unsure, you should get advice.

QUESTIONS AND ANSWERS

Is this a stakeholder pension?

No. The Family Suntrust is not a Stakeholder Pension.

Stakeholder Pensions are generally available and may meet your needs at least as well as this Scheme. You should discuss this with the Financial Adviser.

Can I change my mind?

Yes. You have the following cancellation rights:

Contributions

If you join the Scheme with a personal or employer contribution it will normally be invested as instructed by unanimous written agreement or held in the Scheme cash account until we receive instructions. We will send you a cancellation notice. This gives you 30 days from when you receive it to decide whether you want to carry on with joining the Scheme.

If you decide to cancel, we will refund any regular contribution paid in full. However if a single contribution was paid, and the value of any investments has fallen between us investing the payment and receiving your cancellation notice, you or your employer will receive less than the original value of the payment. If the value of any investments has increased between us investing the payment and receiving your cancellation notice, you or your employer will receive the original value of the contribution.

Any subsequent contributions will not have cancellation rights.

Transfer payments

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 when you receive it to decide whether you want to carry on 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, we will normally invest it as instructed by unanimous written agreement or hold it in the Scheme cash account until we receive instructions.

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 want to carry on 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 we have received the transfer payment it is usually impossible to return it.

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 continuing or try to return the transfer payment if we have already received the money. 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.

Any subsequent transfer payments will also have cancellation rights.

Taking benefits

We will send you a cancellation notice when we receive your first application to take benefits. This gives you the right to cancel within 30 days of the date you receive the cancellation notice.

If you want to cancel, you should return the cancellation notice to us, together with a cheque for the full amount of any tax-free lump sum and income already received. We will return the money to the Scheme cash account. We will not refund any charges incurred in the selling of assets to fund any payments.

General

We will refund any Scheme fees you have paid in respect of joining or taking benefits prior to us receiving your cancellation notice.

We won't facilitate the payment of an adviser charge until the end of the applicable 30 day cancellation notice period. If you cancel within this period, we will not deduct an adviser charge, but you may still be liable to pay the Financial Adviser for the advice or services you have received. You will then need to agree directly with them how these will be settled.

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

If you don't want to cancel, simply take no action. After the 30 day cancellation period has expired, any contributions or transfer payments we have received must remain within your Scheme and cannot normally be accessed until you reach age 55 (rising to 57 from 6 April 2028).

What are the charges?

Scheme fees

Scheme fees cover the costs of running your Family Suntrust Scheme. They include a new participant's fee (where applicable), yearly management fee and annual investment fee. Other fees may also apply depending upon the options selected, for example, fees for taking pension income under the Scheme.

Your **illustration** shows the Scheme fees you will have to pay and how they reduce the potential for growth over the term shown.

All product charges expressed as a monetary amount will normally be increased annually, in line with the Average Weekly Earnings Index (AWEI), or other suitable index, on 1 July. If product charges increase, for any reason other than an AWEI increase, we will endeavour to give you at least 30 days' notice of this change.

There is an explanation of all the fees and charges and the circumstances under which they can be increased in the **Family Suntrust – Guide to fees**. You should also speak to the Financial Adviser for more information about all the fees and charges.

Third party investment charges

In addition to the Scheme fees, the **illustration** will also show assumed third party charges. These will be for:

- Discretionary Fund Manager (DFM) – as agreed separately between you and your DFM
- third party investment products – if you hold third party products, wrappers or investments
- commercial property – charges from third parties appointed in connection with the property purchase or sale and for ongoing property administration and management. These are covered in our **Investment in commercial property guide.**

Adviser charges

All participants must unanimously agree with the Financial Adviser any charges for the advice and services they have provided in relation to the Scheme, and how these will be paid.

You can either pay the Financial Adviser directly or through the Scheme. If you agree with the Financial Adviser to change the charges at any point, it is your responsibility to tell us.

You can ask us at any time to stop paying the Financial Adviser through the Scheme, but you will be responsible for settling any outstanding charges directly with them.

Charges for Scheme advice

Adhoc or ongoing adviser charges can be applicable for advice applying to the Scheme as a whole. These can be taken as a fixed amount, or as a percentage of the Scheme value.

Charges for individual advice

An initial or adhoc charge can be applied for advice that relates to an individual participant joining the Scheme, taking benefits or making a payment into the Scheme. These charges can be taken as a fixed amount or as a percentage of the individual's share of the Pooled Fund.

There are further details about adviser charges in the **Family Suntrust – Guide to fees.**

MAKING CONTRIBUTIONS AND TRANSFER PAYMENTS

What payments can be made into the Scheme?

You, someone on your behalf, or your employer can pay regular annual or single contributions into the Scheme. The minimum contribution amount is £1,000 gross. The value of any contribution made to the Scheme can fall and rise and is not guaranteed.

Contributions must be paid by direct credit or cheque. You should note we will not issue any reminders if an expected regular contribution is not paid.

Contributions cannot be made on or after your 75th birthday.

There is no limit on the contributions that can be made by your employer, but we will only accept personal contributions (those paid by you or others on your behalf) that are eligible for tax relief. You can find more information about this in our **Tax and your pension** leaflet.

Can I stop, vary or restart regular contributions?

Yes, you can stop making, or vary the amount of, contributions at any time. However, fewer or smaller contributions will reduce the fund available at retirement.

If you stop contributions, although the Scheme continues to stay invested, any charges and, if applicable, adviser payments, will continue to be deducted. This means if the value of your share of the Pooled Fund is small, ongoing charges may significantly reduce the future value.

You can restart contributions at any time provided you are still eligible to do so.

Can I transfer in from another pension scheme?

Yes. You can transfer pension funds into the Scheme providing they are acceptable to us. However, your previous pension scheme may offer valuable guarantees which this Scheme cannot match.

The minimum transfer payment amount is £1,000. If you are transferring drawdown funds the minimum transfer payment amount is £10,000.

It may be possible to transfer assets in to the Scheme. These are known as 'in-specie' transfers. We will need to agree to accept such assets.

If you do transfer from another pension scheme you should be aware that:

- if you transfer as cash you'll be out of the market until the transfer is complete - you won't lose out if the market falls but your money won't be subject to any investment growth if the market rises in this period.
- If you're transferring assets in-specie you'll remain invested during the transfer process, however, there is likely to be a short period where you won't be able to sell the asset even if you want to
- we will not accept transfers against the advice of your adviser where the transfer is from a defined benefit scheme or a defined contribution scheme which has safeguarded benefits
- the benefits you receive from the transfer could be less than those you would have received under your previous pension scheme
- if you are joining or have recently joined a new company that offers a pension scheme, you may be better off transferring the value of any existing pension schemes into that scheme
- if you decide to cancel the transfer it may not be possible to return the transfer value to the original pension scheme
- if you are aged 75 or over and transfer in from another pension scheme you will not be able to make additional contributions to the Scheme.

You should speak to the Financial Adviser to discuss the risks and potential benefits of transferring.

MAKING INVESTMENTS

Where can I invest?

Investing together in a Pooled Fund can open up different investment possibilities. These include:

- UK commercial property (see our **Investment in commercial property** guide for more information)
- other investment such as deposit accounts offshore and onshore bonds and Trustee Investment Plans
- certain Discretionary Fund Managers.

There are some restrictions on what you can invest in. The **Family Suntrust Scheme – Terms & conditions** contains information about permitted investments allowed under the Scheme.

The value of investments can fall as well as rise and is not guaranteed. This means you may receive less in benefits than payments made. You should speak to the Financial Adviser about all the investment options you have.

How will I know how my share of the Pooled Fund is doing?

On each anniversary of the Scheme we will issue a yearly statement. This will give details of all assets and their value held under the Scheme as well as a valuation of each participant's notional share of the Pooled Fund. Please note the valuation of some assets, for example commercial property, may incur a charge.

There are more details about how we keep you informed in the **Family Suntrust – Product guide**.

Can I transfer my share of the Pooled Fund to another pension scheme?

Yes. You may transfer the value of your share of the Pooled Fund to another Registered Pension Scheme or certain overseas schemes allowed by HM Revenue & Customs (HMRC) with either another provider or a new employer.

If you have agreed to pay adviser charges through the Scheme, any outstanding payments will not be made. You will need to agree with the Financial Adviser how these charges will be settled.

All transfers are subject to appropriate due diligence and require our agreement. We will not make a payment until there is sufficient available cash in the Scheme cash account to make the transfer and meet any outstanding obligations.

We do not charge for transfers out but there may be costs associated with selling or re-registering assets.

If you change your mind you will suffer any fall in the market value of the investments made with the transfer payment.

You can find more information about transferring out of a Scheme in the **Family Suntrust Scheme – Terms & conditions**.

TAKING BENEFITS

You have different options when it comes to taking your benefits. You should speak to the Financial Adviser for help in deciding which one suits you best. This is important as 'shopping around' with other pension providers could help you obtain products that are more appropriate for your needs and circumstances and may offer a higher pension income or lower charges.

MoneyHelper publish a consumer factsheet, 'Your pension – your choices', which is available on their website, www.moneyhelper.org.uk. You can also refer to Pension Wise, a service from MoneyHelper. This is a government backed service available to anyone over the age of 50. Pension Wise is free and provides impartial guidance about pension choices. You can contact Pension Wise via their website, www.moneyhelper.org.uk/pensionwise or by telephone, 0800 138 3944.

When can I take my benefits?

You can take benefits from your share of the Pooled Fund at any time from your 55th (57th from 6 April 2028) birthday onwards. It may be possible to take the benefits earlier than this in the event of ill-health or for protected pension ages. You do not have to stop working to take benefits.

How can I take my benefits?

You can use part or all of your pension fund to take benefits.

Of the part used, normally up to 25% is payable immediately as a tax-free lump sum and the remaining 75% of the amount used placed in drawdown or used to purchase an annuity from an annuity provider.

Drawdown

Once the funds are placed into drawdown, you can take as little or as much as you want at any time while it remains invested. You could, for example, take the whole fund as a one off amount or take regular withdrawals from your fund over many years.

Through drawdown, any fund not immediately taken as income will remain invested in your chosen funds within the scheme which means there is a risk involved due to market movements. As such the value of your fund could fall as well as rise and is not guaranteed.

Annuity

A lifetime annuity is a product that will give you a guaranteed regular income for as long as you live. The amount of the annuity payable will depend upon the type of annuity purchased, the provider selected and your health. Annuity providers may apply a minimum fund size for taking such business.

Both drawdown and annuity payments are taxable as income. You will pay tax on the income based on your personal tax circumstances at the time it is paid.

Any regular payments set up under a drawdown option can be amended at any time, but once purchased an annuity income can't normally be amended.

We recommend you review your drawdown (including the level of income you are taking) regularly to make sure they remain sustainable and suitable for your needs and circumstances.

You are advised to speak to the financial adviser to assess what is most appropriate for you.

Can I transfer to another provider?

Instead of taking benefits from the Scheme, you can normally transfer all or part of your share of the Pooled Fund to another registered pension scheme (or certain overseas schemes allowed by HMRC) which is willing to accept the transfer at any time.

All transfers are subject to appropriate due diligence and require our agreement. We will not make a payment until there is sufficient available cash in the Scheme cash account to make the transfer and meet any outstanding obligations.

We do not charge for transfers out but there may be costs associated with selling or re-registering assets.

If you change your mind you will suffer any fall in the market value of the investments made with the transfer payment.

You can find more information about transferring out of a Scheme in the **Family Suntrust Scheme – Terms & conditions**.

Are there any guarantees?

The Family Suntrust does not offer any guarantees however some retirement products, such as annuities, do.

What happens when I die?

We will use the full value of your share of the Pooled Fund, to provide a lump sum or income for your beneficiaries.

There is more information about providing death benefits in the **Death benefits option** form.

If you are thinking about, or already, taking benefits we include more information in the **Pension benefits guide** available at **phoenixwealth.co.uk.**

TAX

The following tax information is based on our interpretation of current UK law and HMRC practice. This is subject to change and your individual circumstances. You should not treat it as legal advice or rely on it as a statement of law. We cover all of these tax issues in more detail in our **Tax and your pension** leaflet.

Does money paid into the scheme receive tax relief?

Yes. You are normally entitled to tax relief on the contributions you make.

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 HMRC.

You will not receive tax relief for either transfer payments or employer contributions.

You may be subject to a tax charge if the total amount paid into all your pension plans, together with the increase in the value of certain types of pension benefits exceeds either of:

- the annual allowance
- the lower money purchase annual allowance applicable where you have taken certain retirement benefits.

Are there any tax implications while my money is invested?

The growth in the value of the Pooled Fund investments is free of UK taxes on capital gains and investment income.

Any investments the Pooled Fund holds in overseas assets will be subject to the tax rules in that country. For some specialist investments VAT may apply.

What about tax when I take my benefits?

The amount of tax due will depend on how you take benefits and your own personal circumstances.

HMRC also sets a limit, called the lump sum allowance (LSA), which is the maximum amount of benefits you can normally take as a tax-free lump sum from all of your pension savings.

Each time you take benefits, we look at the amount of tax-free cash you have taken from all of your pensions to see if you exceed your LSA. Any excess will potentially be subject to tax. For further information, please visit **www.moneyhelper.org.uk**.

What about tax when I die?

There are a number of options for you to distribute your share of the Pooled Fund when you die. You should read the **Death benefit option** form for more information.

The maximum amount of benefits you or your beneficiaries can take from all your pension schemes as a tax-free lump sum is called the lump sum death benefit allowance (LSDBA).

It applies when you take a Pension Commencement Lump Sum (PCLS) and to the tax-free part of an Uncrystallised Funds Pension Lump Sum (UFPLS). It also applies to serious ill-health lump sums paid before you reach age 75, and lump sum death benefits if you die before reaching age 75.

If the LSDBA is exceeded, the excess may be subject to tax at the recipient's marginal rate. However, any death benefits taken as pension income will be tax free and aren't considered against the LSDBA.

You can give us death benefit instructions, and change them, at any time. However, there are tax implications you should consider. You should discuss this with the Financial Adviser before giving us any instructions.

FURTHER INFORMATION

Your status

We will treat you as a retail client. This means that you may have the highest degree of protection available under the Financial Conduct Authority rules. This includes access to complaints and compensation procedures.

How to complain

If you are not satisfied with any aspect of the service that you have received from us, please contact us using any of the methods detailed on the back page. Information regarding our formal complaints procedure is also available from the same contact points.

Complaints that we cannot settle may be referred to the Financial Ombudsman Service at:

Exchange Tower,
Harbour Exchange Square,
London,
E14 9SR

Phone: 0800 0234 567

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

Website: **www.financial-ombudsman.org.uk**

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

Compensation

Operation of the Scheme is covered by the Financial Services Compensation Scheme (FSCS). This means that if Phoenix Wealth Services Limited became 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 our banking partner 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 held with that same bank. Some of the investments under the Scheme may also be covered by the Financial Services Compensation Scheme.

Check with us what protection the Financial Services Compensation Scheme offers you
www.fscs.org.uk

Law and language

This plan is governed by the law of England and Wales. Your contract will be in English. We'll always write and speak to you in English.

Visual impairment

If you would like this information in large print, in braille or audio, please call 0345 129 9993.

Financial adviser

If you have any questions the first point of contact is the Financial Adviser.

But you and the Financial Adviser can contact us on the number shown on the next page.

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 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**

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**

Write to us at

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

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