

Please read this document carefully so you fully understand the implications of any financial decisions you make. We will retain a copy for future reference. It may also help to refer to our online **glossary** for explanations of technical or unfamiliar terms. You can find it on **www.embarkpensions.co.uk/useful_document/sipp-glossary/**

EMBARK PENSIONS FREEDOM SIPP

SINGLE AND FULL FEE SCHEDULE

Embark does not offer financial advice and we always recommend you seek independent financial advice before making any investment decisions. If you currently don't have a financial adviser, you can find one at **unbiased.co.uk**.

embark pensions

FREEDOM SIPP SINGLE AND FULL FEE SCHEDULE

We have tried to make this schedule clear but if you have any queries or suggestions please contact us on **0344 544 0566** or **customerservices@embarkpensions.co.uk**.

These fees will apply from 1 August 2023. This document forms part of a set of documents produced by Embark Pensions which should be read together with:

- **The Freedom SIPP Key Features document**
- **Your personal illustration**
- **The Freedom SIPP Terms and Conditions**
- **Your application form**

This document is designed to help you understand the fees for establishing and administering your SIPP and provides you with a comprehensive guide to all transaction costs, which are all subject to Value Added Tax (VAT).

Example scenario - Getting started

An adviser recommends a SIPP investing in a discretionary fund manager. The client has pension funds with different providers which are to be transferred as cash, and a single investment option is recommended.

In this scenario, Embark Pensions would notify the client and the adviser when the funds are received. When the final transfer is received they will establish an investment portfolio with the discretionary fund manager recommended. If the client wishes to diversify their investments beyond a single asset in the future, they can elect to do so by setting up a full investment SIPP from the outset, where full investment SIPP fees will apply.

What would the costs be for this?

Embark Pensions has 2 charging structures for the Freedom SIPP: Full Investment Option and Single Investment Option.

Transferring out

Initial costs	Full Investment Option	Single Investment Option
Set up fees	£300	£100
Annual administration fee	£495	£250
Establish investment portfolio	£50	Nil
Total fees in first year	**£845**	**£350**

Ongoing costs	Full Investment Option	Single Investment Option
Annual administration fee	£495	£250
Annual investment management fees	Nil	Nil
Total ongoing	**£495**	**£250**

Example scenario - Investment in commercial property

An opportunity arises for a client's SIPP to aquire the commercial property their business operates from. To fund the purchase the SIPP will need to borrow from a bank, in addition to using funds from the existing investment portfolio.

In addition to the fees shown, other costs will be incurred in relation to the purchase, which will need to be settled from the SIPP. These include surveyors' fees, solicitors' fees, stamp duty and VAT (if applicable).

Initial costs for property investment	Full Investment Option
Encashing funds from portfolio	Nil
Agreeing and arranging borrowing from bank	£400 (Borrowing fees vary)
Property acquistion fee	£700
Annual property fee	£250 (The inital charge is billed pro rata to the plan anniversary)
Total fee for property investment (example)	**£1,350**

Ongoing costs for property investment	Full Investment Option
Annual administration fee	£495
Annual property fee	£250
Total ongoing	**£745**

Example scenario - taking benefits

After several years, the client who is aged over 55, decides to start drawing benefits from his accumulated pension fund in the SIPP. He decides after taking advice to go into Flexi-Access drawdown taking income as a regular payment after taking 25% as a tax free lump sum in the first year.

What would the costs be for this?

Taking benefits from the SIPP	Full & Single Investment Option
Payment of pension commencement lump sum	£100
Establishing PAYE record for flexi-access drawdown (FAD)	£125
Annual fee for regular payment of pension	£125
Total fees in first year	**£350**

Ongoing	Full Investment Option	Single Investment Option
Annual administration fee	£495	£250
Annual fee for regular payment of flexi-access drawdown income	£125	£125
Total	**£620**	**£375**

These scenarios are designed to illustrate the charges levied for specific events. Ongoing cost will vary depending on the choices you make. Fees are outlined in the detailed schedule of fees and services for the Embark Pensions Freedom SIPP which is on page four.

DETAILED SCHEDULE OF FEES AND CHARGES

All fees are subject to Value Added Tax (VAT)

	Full Investment	Single Investment	When is the fee taken?
Set up	£300	£100	Once SIPP set up
Annual administration fee	£495	£250	On set up and plan anniversary

Payment related fees

	Full Investment	Single Investment	When is the fee taken?
Cash contribution	Nil	Nil	N/A

Investment related fees (including property)

	Full Investment	Single Investment	When is the fee taken?
Establishment of an Investment portfolio	£50	Nil	On completion of transaction
Direct investments (basic) per investment Direct investments (complex) per transaction	£50 £500	£50 N/A	On completion of transaction
Unquoted share disposals	£250	N/A	On completion of transaction
Property transaction (per acquisition / transfer) Property transaction (per sale / disposal)	£700 £375	N/A N/A	On completion of transaction
Annual property administration (per property)	£250	N/A	Annually in advance on plan anniversary, pro rata in first year
Borrowing (dependent on lender)	£300 - £500	N/A	On completion of transaction
Leases other than at property acquisition	£250	N/A	On completion of transaction
Property development (max. fee £1,500)	1% of property development costs	N/A	On completion of development

Please note we no longer allow any new instructions into non-standard investments other than certain cash deposits with fixed terms longer than 30 days.

This includes top ups into existing holdings of non-standard investments.

Benefit related fees

	Full Investment	Single Investment	When is the fee taken?
Payment pension commencement lump sum (per event)	£100	£100	On completion of transaction
Payment of pension			
- Establishment of PAYE records	£125	£125	On completion of transaction
- Regular payment of pensions (per annum)	£125	£125	Annually in advance
- Making an adjustment to regular payments (per adjustment)	£125	£125	On completion of transaction
- Making adhoc payment (per payment)	£250	£250	On completion of transaction
Payment of uncrystallised funds pension lump sum (per event)	£350	£350	On completion of transaction

Transfer related fees

	Full Investment	Single Investment	When is the fee taken?
Transfer of benefits from another arrangement	Nil - Included in annual administration fee		
Transfer of benefits to another arrangement - cash*	£300	£300	Prior to transfer of funds
Transfer of benefits to another arrangement - in specie*	£625	£625	
Transfer in due diligence fee - defined benefit schemes	£200	£200	On instruction

*When transfer is both cash and in specie, only the in specie fee will be charged. Fee is per arrangement.

Moving into a Recognised Overseas Pension Scheme (ROPS)

	Full Investment	Single Investment	When is the fee taken?
Transfer out due diligence fee (full or partial)	£500	£500	On instruction
Complex cases (time based fee)	£150 per hour	£150 per hour	On completion

Other fees

	Full Investment	Single Investment	When is the fee taken?
Ad-hoc SIPP valuation (charge per item valued)	£50	£50	On completion of transaction
HMRC reporting	Time cost	Time cost	On submission of report
Tax reclamation (per recovery)	£130	£130	On completion of transaction
Provision of information to third parties	Time cost	Time cost	On completion of transaction

DETAILED SCHEDULE OF FEES AND CHARGES (CONTINUED)

Fee

	Description
Set up	Establishing a plan within the Self-Invested Personal Pension Scheme, to meet all regulatory requirements. SIPPs set up under the single investment option, which convert to full investment in the first year, will be charged the full investment option set up fee.
Annual administration fee	Routine administration of the SIPP including executing allowable investment instructions, routine record keeping and general technical and administration enquiries. Reclaiming Pension Relief At Source (PRAS) and ensuring employer contributions meet the requirements of The Pensions Regulator's Code of Practice. Producing and issuing the annual statement. Banking contributions and income. Guidance on the day-to-day running of the SIPP, the acceptability of investments (other than those to be held offshore or overseas) and adhering to HM Revenue & Customs (HMRC) guidance. Arranging for the transfer of existing pension benefits into the SIPP including liaison with existing providers, arranging for assets to be transferred or assigned and updating records. Additional investment related fees will apply. Agreeing and authorising the payment of death benefits. Additional charges may be applied in complex cases. Fees may increase each year, at our discretion, in line with the index of Average Weekly Earnings. SIPPs set up under the single investment option, which convert to full investment will be charged the annual administration fee for full investment. This will be pro rata from the date of conversion to the next plan anniversary. If the SIPP converts in the first year, the full investment fee will be charged in the first year.

Payment related fees

	Description
Cash contributions	Checking a proposed contribution is in accordance with current legislation, authorising appropriate documentation and updating records.

Investment related fees (including property)

	Description
Investment portfolio	Establishing an account with an investment provider to hold investments such as quoted stocks and shares, managed funds, unit trusts, OEICs, gilts, fixed interest securities or any other quoted investment.
Direct investments (basic)	Processing the transaction and updating records (for assets such as bank/building society accounts, TIPs, and pension policies).
Property transaction	Guidance and liaison with our appointed solicitor in relation to the transfer, purchase or sale of property, to ensure the transaction is within the Rules of the SIPP and complies with HMRC requirements. We reserve the right to charge a higher price for particularly complex or time consuming transactions. The fees charged by the appointed solicitor and other professional fees associated with a property purchase are payable in addition.

Investment related fees (including property) continued

	Description
Annual property administration	Additional administration requirements where property is held as an asset of the SIPP.
Borrowing	Checking borrowing limits, agreeing and authorising appropriate documentation and updating records.
Leases other than at property acquisition	Guidance and liaison with our appointed solicitor in relation to a new lease, or renewal of a lease, of a property or other asset by the SIPP, to ensure that the transaction is within the Rules of the SIPP and complies with the requirements of HMRC and that documentation is authorised and records updated. Any legal and other professional fees will be payable in addition.
Property development	Checking that development proposals comply with HMRC requirements and the Rules of the SIPP, reviewing documentation, including schedules of works and costs, consideration of valuation issues and potential implications of development in relation to leases and making or authorising payments.

Benefit related fees

	Description
Payment pension commencement lump sum	Making arrangements to pay a pension commencement lump sum.
Payment of pension	Making arrangements to pay pension benefits via drawdown, including establishment of PAYE record, where applicable. Regular payment of pensions. Making an adjustment to the level of regular payments. Making an ad hoc payment from an existing drawdown arrangement (per payment).
Payment of uncrystallised funds pension lump sum	Making arrangements to pay an uncrystallised funds pension lump sum.

Transfer related fees

	Description
Transfer of benefits from another arrangement	Included within 'annual administration fee'.
Transfer of benefits to another arrangement	Liaison with the new pension provider, arranging for appropriate assets to be transferred as required and updating records. For in specie transfers, any investment-related fees (eg property sale/disposal fees) and other related costs will be charged in addition. Where the transfer consists of both cash and in specie elements only the in specie fee will be charged.
Transfer in due diligence - defined benefit scheme	Undertaking a review of authorisations and full pension details prior to the acceptance of these transfers.

DETAILED SCHEDULE OF FEES AND CHARGES (CONTINUED)

Moving into a Recognised Overseas Pension Scheme (ROPS)

	Description
Recognised Overseas Pension Scheme (ROPS)	Verify the proposed receiving scheme against HMRC ROPS notifications. Review particulars of the proposed receiving scheme, such as Trust Deed & Rules, to ensure compliance with UK Pension Regulation. Check requirements are satisfied in the jurisdiction of the proposed receiving scheme.

Other fees

	Description
Ad-hoc SIPP valuation	Obtaining the value of an asset in order to produce a SIPP valuation at a date other than the usual annual statement date. This may be charged if values of assets are not readily available (for example commercial property or unlisted investments) and we need to value your plan to start paying to benefits. Costs incurred in production of asset valuations are met by the SIPP. This does not include any other professional fees for third party services such as property valuations or unquoted share valuations. To avoid breaching pension regulations we reserve the right to instruct third parties to produce asset valuations. In such an event, we will apply a time cost administration fee, which will be deducted from the SIPP fund, together with any costs for obtaining asset valuations.
HMRC reporting	Preparing and filing any ad hoc reports required by HMRC. Preparing and filing appropriate reports, where an unauthorised payment has been made and subsequent negotiations with HMRC and other parties as required.
Tax reclamation	Reclaiming the tax deducted from bond income and other interest from securities.
Provision of information to third parties	Providing any information relating to the SIPP at your request, for example, in divorce proceedings.
Time cost	Routine administration £95 per hour - £175 per hour dependent upon the complexity of the work and the level of expertise required to undertake it. Where more senior staff, such as technical, managerial, actuarial, accountancy or consultancy staff are required: £200 per hour - £390 per hour, dependent upon the complexity of the work and the level of experience required to undertake it.

FREQUENTLY ASKED QUESTIONS

How do I pay my SIPP fees?

We deduct our fees and those payable to third parties, such as your financial adviser or investment manager, directly from your SIPP. We do not issue invoices for our fees. To ensure fees can be paid in a timely manner, we require you to hold a minimum of £2,000 in cash, or other easily realisable assets, at all times in order to meet any liabilities that may arise.

Does VAT apply to fees?

All of our fees are subject to VAT.

I want a single investment SIPP; what fees apply to me?

The actual fees you will be charged depend on the investment option you choose and whether or not you are taking benefits from the SIPP. For example, if you have an investment portfolio, and are not taking benefits or using our additional services, you will only need to pay the set up and annual administration fees in the first year and the annual administration fee each year thereafter.

What fees do I pay when I convert my single investment SIPP to a full investment SIPP?

If you have a single investment SIPP and wish to convert to a full investment SIPP you will pay the full investment SIPP annual administration fee from the date of conversion. This will be pro rata to the next plan anniversary.
You will also need to pay any additional investment related fees which apply to the investment choices you make.
We reserve the right to charge a switch fee of £100 plus VAT should you make multiple switches in a 12 month period. If you convert from a single investment SIPP to a full investment SIPP in the first year we will charge the full investment option.

What fees do I pay when I convert my full investment SIPP to a single investment SIPP?

If you have a full investment SIPP and wish to convert to a single investment SIPP you will pay the single investment annual administration fee from the date of conversion. This will be pro rata to the next plan anniversary. You will need to ensure that your chosen investment lies within our criteria for a single investment SIPP.

What are your charges for taking a pension commencement lump sum?

We charge a fee of £100 plus VAT to pay a pension commencement lump sum but the total fees you pay may be more than this, depending on whether we need to obtain valuations and arrange for disinvestment of your SIPP's assets in order to pay your benefits.

What are your charges for taking Flexi-Access drawdown?

Our example scenario on page three illustrates the level of fees you might pay for Flexi-Access drawdown. We may need to value and disinvest assets in order to pay your benefits and the cost of this varies and is payable in addition.

What are your charges for taking an uncrystallised funds pension lump sum (UFPLS)?

The fee we charge for an uncrystallised funds pension lump sum is a single fee for each UFPLS payment. Should we need to value or disinvest assets in order to pay benefits, this will be charged in addition.

Is a single authorised unit trust, OEIC or TIP application for two funds counted as one or two transactions?

This counts as two transactions. We do not hold unit trusts and OEICs directly under the SIPP, so if these are investments you wish to make, we recommend they are held within an investment manager's portfolio.
Your investment into your portfolio with your chosen investment manager will count as one transaction, even if you have multiple investments within that portfolio. We can hold TIPs directly. When we complete an application form for a directly held insurance company TIP, we apply a transaction fee for each individual fund purchased or sold.

Do your fees include the investment manager's or stockbroker's fees?

No, our investment transaction fees relate to the recording and reconciling of investment transactions by us and do not include stockbroker, investment manager or nominee fees and charges.

FREQUENTLY ASKED QUESTIONS (CONTINUED)

How do you calculate fees for dealing with the purchase of property?

We charge a flat fee for dealing with the purchase of a property, although we do reserve the right to charge a higher price for particularly complex or time consuming transactions. We will appoint our retained solicitors to oversee all legal work on property assets in your SIPP. Our solicitors are accomplished in the purchase of property by a pension arrangement and the requirements of HMRC. Their costs are competitive and they are familiar with all aspects of the legal documentation involved in property purchase. You will need to consider other fees associated with the cost of the purchase, such as surveyors' fees, specialist risk reports, stamp duty land tax and VAT.

What services are covered by the annual property charge?

The annual property fee covers the additional complexity of the administration work we need to undertake where a scheme owns a property. It includes notifying you when a lease is due to expire, or rent reviews are due and dealing with insurance renewal documentation to ensure the property remains insured. Our services do not include property management, so you need to consider how you will manage any property held within your SIPP, which must be performed in accordance with the principles of good estate management.

Why do I need to pay a fee if my SIPP borrows money?

If your SIPP borrows to purchase a property, we charge a borrowing fee to cover the work we undertake to ensure the borrowing is within HMRC borrowing limits, for dealing with the mortgage, liaising with the lender, reviewing and completing borrowing documentation and setting up repayments, where required as part of the overall purchase process. The fee will vary, depending on lender.

Do your fees increase?

The annual administration fee may increase each year in line with annual increases in the index of Average Weekly Earnings as calculated from the last published month preceding the due invoice date. Fees for additional services are reviewed from time to time and we will notify the member of any changes to the charges at least one month before they are implemented.

If I use a service with an annual fee part way through the year will I be charged the full amount?

Annual administration fees are payable in advance from the commencement date of the SIPP. Any additional annual fees that first become payable, other than on the plan anniversary, will be pro rata to reflect the fee payable up to the next plan anniversary. The full annual fee will then be payable from the next plan anniversary.

SIPP bank account interest rate

We use Lloyds Bank for transactional banking purposes. As part of our agreement with Lloyds Bank any cash deposits receive interest. Lloyds Bank may pay us an additional rate above this to cover any transactional costs associated with the management of your bank account.

For full details of the current interest rates received by each bank; the interest paid to your bank account; and the interest retained by us, please visit **www.embarkpensions.co.uk/banking-information**.

Is there anything else I should know?

All fees quoted are those levied by Embark Pensions. Additional fees and conditions may be applied by third parties for their services, including investment partners. The services and fees set out under the heading 'additional services' are indicative, but not necessarily inclusive of every additional service that might be requested. All flat fees quoted are those that we would seek to charge in normal situations.

Embark Pensions reserves the right to:

- charge a proportionate fee for any work undertaken on an aborted or pending transaction;
- impose a late payment surcharge of 1% per month on outstanding fees;
- charge higher fees when the circumstances are unusually complex and/or time consuming. As the situation may not always be apparent from the outset, we will use our best endeavours to advise clients as soon as possible if it is intended to invoke this.

In the event of termination of services, all fees then due to Embark Pensions shall be payable and no fees shall be refundable.

All scheme activities are subject to HMRC reporting requirements.

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