



SIPP

KEY FEATURES

Key features of the EBS SIPP

The Financial Conduct Authority is the independent financial services regulator. It requires us, EBS Pensions Limited (EBS), to give you this important information to help you to decide whether the EBS SIPP is right for you. You should read this document carefully so that you understand what you are buying, and keep it safe for future reference.

You should be aware that Stakeholder Pension Schemes are generally available and might meet your needs as well as this Self-invested Personal Pension (SIPP).

The EBS SIPP (the 'Scheme') has been set up under trust and accepted as a registered pension scheme by HM Revenue & Customs (HMRC).

In this document 'we', 'us' and 'our' refers to EBS, the Scheme Administrator, and EBS Self-Administered Personal Pension Plan Trustees Limited (EBS SAPPPTL), the Scheme Trustee.

We will provide you with a personal illustration that forms an integral part of this document and both should be kept together. Full details of the Scheme are in our Terms of Business, the Scheme Rules and our EBS SIPP Fee Schedule. Copies of these are available on request.

If you have any doubt whether the EBS SIPP is suitable for you, you should seek a personal recommendation from an appropriately qualified person, such as a Financial Adviser.

The Glossary provided with this document explains some of the words and terms we have used. Technical information that describes some of the features in greater detail is available on request.

Aims of the EBS SIPP

- To provide a tax-efficient way to save for your retirement.
- To provide a wide range of investment options and allow you to make your own investment decisions, or make them with your Financial Adviser or Investment Manager.
- To give you flexibility to cope with changes in your employment or finances.
- To give you flexibility over how and when you take your benefits.
- To provide death benefits to your beneficiaries.

Your commitment

- To make at least one payment (a contribution or a transfer) to your SIPP.
- To tell us if the contributions (other than those made by your employer) to your SIPP when added to contributions (other than those made by your employer) in the same tax year to other pension schemes are more than your relevant UK earnings for that tax year.
- To tell us if you stop being entitled to receive tax relief on your contributions.
- To actively manage your SIPP's investments and regularly review them to check they continue to meet your needs.
- To pay the fees and charges for your SIPP.
- As a co-trustee with EBS SAPPPTL, you will be required to sign all documents including any payment instructions, investment instructions and documents for commercial property transactions.

Risks

The value of your retirement and death benefits might be lower than anticipated if;

- The investments do not perform as well as we have assumed in any illustrations we provide;
- Charges turn out to be higher than expected;
- There are changes in legislation affecting taxation and SIPP contribution limits;
- Contributions to your SIPP are too low;
- You draw your retirement benefits before your selected retirement age;
- Income is drawn at a higher level than is sustainable;
- The cost of buying a lifetime annuity when you retire is higher than illustrated;
- Price inflation reduces the worth of all savings, investments and pension benefits.

The value of the investments within your SIPP may fall as well as rise and is not guaranteed.

Some investments may take longer to sell than others and you may not be in a position to sell them when you choose or need to.

If you transfer pension benefits from other pension arrangements to your SIPP you may be giving up rights under those other arrangements such as guaranteed benefits and future increases. Your existing pension provider may also apply a penalty or other reduction in the value of your benefits when you transfer. There is no guarantee that you will be able to match the benefits that you give up by transferring.

Questions and answers

What is a SIPP?

A SIPP is a personal pension plan that provides a tax-efficient way to save for retirement and allows you to make your own investment decisions, or with the assistance of your Financial Adviser or Investment Manager, within our permitted range of investments.

Is the EBS SIPP a Stakeholder Pension Scheme?

No it is not. If you want further information about Stakeholder Pension Schemes you should contact a Financial Adviser.

Can the EBS SIPP be used for auto enrolment?

The EBS SIPP is not designed to be used to meet employers' obligations under auto enrolment legislation. If you are employed, your employer will need to make its own arrangements for auto enrolment.

What are the tax advantages?

- Your contributions to your SIPP should receive relief from income tax, subject to your available annual allowance and relevant UK earnings.
- Your employer can make gross contributions to your SIPP.
- Investments within your SIPP are free from income and capital gains tax, although it is not possible to reclaim tax paid on UK share dividends. Whether any overseas tax deducted at source in relation to overseas investments can be reclaimed will depend on double taxation treaties.
- If you are over the normal minimum pension age, you can usually take up to 25% of your SIPP fund as a pension commencement lump sum, paid tax-free, subject to having sufficient remaining lifetime allowance.
- If you are over the normal minimum pension age, you may be able to draw an uncrystallised funds pensions lump sum 25% of which is paid tax-free, subject to you having sufficient remaining lifetime allowance.
- Benefits paid in the event of your death will normally be free from inheritance tax.

The tax treatment of pensions depends on individual circumstances and may be subject to change in the future.

Am I eligible for a SIPP?

You will be eligible for a SIPP provided you are UK resident. You must also be over 18 years old and capable of acting as a co-trustee.

If you are 75 or older you can only take out a SIPP if one or more of the following also applies:

- You are transferring benefits from another pension scheme
- You are employed and your employer is to contribute to your SIPP
- Your Financial Adviser has recommended that you contribute to your SIPP

How do I set up my SIPP?

You should complete and return a 'new member form' to us. Using the details in the new member form we will issue the following documents for you to complete and return:

- A supplemental deed
- Application form
- Bank account opening form.

Who can pay contributions to my SIPP?

If you are a relevant UK individual, you, your employer or anyone else can pay contributions to your SIPP for your benefit.

Is there a minimum contribution?

There is no minimum contribution that you must pay. Contributions may be paid when you want or on a regular basis.

Do I get tax relief on my contributions?

Contributions to your SIPP (except those made by your employer) must be paid net of basic rate income tax. For example, if you wanted a gross contribution of £10,000, you would pay a net contribution of £8,000 and we would claim the basic rate tax of £2,000. Tax relief is not available on contributions (other than employer) that are paid after age 75.

Contributions by parties other than you or your employer are treated as if they were contributions by you.

Any additional tax relief to which you are entitled can be claimed through your self-assessment tax return.

How much can be contributed?

Tax relief on your contributions will only be available where your total gross contribution does not exceed the greater of £3,600 and the amount of your relevant UK earnings for the tax year in which the contributions are made.

Employer contributions are paid gross and there is no specified limit on the amount that your employer can pay in.

If the total pension inputs to all your registered pension schemes attributed to a tax year exceed your available annual allowance (subject to the tapered annual allowance or money purchase annual allowance rules, if applicable) you will be personally liable for tax on the excess.

If you hold Enhanced Protection or Fixed Protection, any contributions will result in you losing the protection.

Can I transfer my existing pension benefits to my SIPP?

Yes, your SIPP can normally receive transfers of pension benefits from other registered pension schemes even when benefits are in payment. However, for transfer of pension benefits from a defined benefit (final salary) scheme or safeguarded benefits where the transfer value is more than £30,000 we will only accept the transfer if you have received and provide us with evidence of a positive recommendation to transfer from a suitably qualified Financial Adviser.

We do not accept transfers from public sector pension schemes.

If you transfer pension benefits that are paying a capped drawdown pension, the limits and review dates that applied under the transferring scheme will also apply to your SIPP.

Transfers can be in the form of cash and acceptable assets. See what can my SIPP invest in?

Can I transfer my pension benefits to another pension scheme?

You can normally transfer part or your entire SIPP fund to another registered pension scheme of which you are a member. A transfer may also be made to a Qualifying Recognised Overseas Pension Scheme (QROPS) subject to HMRC requirements. We charge for processing transfers.

Where you are receiving a drawdown pension from your SIPP, the whole of the crystallised fund must be transferred.

What can my SIPP invest in?

You will have a considerable amount of freedom in choosing the investments for your SIPP but we reserve the right to veto or impose restrictions and requirements in relation to any investment which will, or has the potential to, give rise to tax charges on you as the member, your SIPP or both.

The following categories of investment are broadly acceptable:

- Stocks and shares listed on any HMRC recognised stock exchange, the Alternative Investment Market and ISDX Main Board
- Exchange traded funds and exchange-traded commodities where listed as above
- Investment trusts
- Gilts and corporate bonds
- Non-commission bearing ('clean') units in unit trusts and share classes in open-ended investment companies (OEICs)
- Permanent Interest Bearing Shares (PIBS)
- Hedge funds
- Bank and building society accounts in any currency
- Insurance company funds (managed funds)
- Traded endowment policies
- Investment grade gold
- Commercial property (land and buildings) in the UK

Your SIPP is also allowed to borrow on commercial terms up to 50% of the net market value of your SIPP fund. We may consider accepting other less conventional forms of investment subject to full disclosure of the proposed investment and satisfying any conditions we have laid down.

Is there a limit on the funds I can build up in my SIPP?

No. However, there is a limit on benefits you can crystallise in your SIPP and any other registered pension schemes of which you are a member without incurring a tax charge. This limit is known as the lifetime allowance and each crystallisation of benefits will use up part of your lifetime allowance.

What happens when I die?

When you die the Trustees of your SIPP, operating under their discretionary powers, will have the following options:

- To pay the value of the SIPP fund (subject to your remaining lifetime allowance) as one or more lump sums to your nominated beneficiaries
- To purchase annuities for your dependants and nominees
- To provide your dependants and nominees with drawdown pensions
- To provide combinations of these death benefits

You will have the opportunity to tell the Trustees to whom you would like these benefits to be paid.

When can I take my retirement benefits?

You can take your retirement benefits from the normal minimum pension age (currently 55) or earlier if you are in ill-health or have a protected pension age.

Which retirement options are available?

You can take retirement benefits from your SIPP by:

- Flexi-access drawdown pension
- Uncrystallised funds pension lump sum
- Buying a lifetime annuity
- Buying a short term or flexible annuity
- A capped drawdown pension transferred from another pension scheme

Further detail of each option including the associated risks, are available on request.

Am I entitled to a pension commencement lump sum?

You can normally take a pension commencement lump sum of up to 25% of the net value of part of your SIPP fund you wish to crystallise. Provided you have sufficient remaining Lifetime Allowance, this lump sum will be paid tax-free.

How is my pension taxed?

Your pension will be treated as earned income and subject to income tax. We deduct tax at source before paying you the net pension through our payroll service. Neither your pension nor any pensions paid to your dependants or nominees should be subject to National Insurance.

How is my pension paid?

Your pension can be paid monthly, or less frequently, on the first day of each month. All pensions are paid in pounds sterling.

What are the charges?

Details of our charges and fees for your SIPP are in the sheet entitled EBS SIPP Fee Schedule which should be read in conjunction with this Key Features document before you apply for your SIPP.

The exact fees and charges you pay will depend on your SIPP's investments and the services you use.

Can EBS give me advice?

No. If you have any doubt as to whether the EBS SIPP is suitable for you, you should consult a suitably qualified Financial Adviser who could provide you with a personal recommendation.

Being self-invested, you make your own investment decisions or you may appoint a suitably regulated investment adviser. Please note that we are not regulated to give investment or financial advice. We do not accept any liability for any decisions relating to the purchase, retention and sale of the investments within your SIPP.

Can I change my mind?

Yes. After setting up your SIPP we will send a cancellation notice to you. If you have changed your mind, you will have 30 days from the date you receive this notice to cancel your SIPP. If you cancel your SIPP we will repay any contributions we have received.

For each pension transfer to your SIPP we will send you a substitute cancellation notice. You will have 30 days from when you receive the notice to change your mind and cancel the pension transfer.

If you cancel a pension transfer, we will attempt to repay it to the transferring scheme. However, the transferring scheme may refuse to accept the repayment, or only accept it on different terms to those applying prior to the transfer, in which case we will require your instructions on whether to pay the amount to another registered pension scheme.

When you crystallise benefits under flexi-access drawdown we will write to you and confirm the benefits payable. You will have 30 days from receipt of this letter to inform us that you wish to cancel this transaction. If you cancel you will need to repay any pension commencement lump sum and pension that has been paid to you. The payment of an uncrystallised funds pension lump sum cannot be cancelled.

If investments have been made during the cancellation period the value of the repayment may be higher or lower than the amount originally invested. If you decide to cancel, we may deduct charges for any services we have provided during the cancellation period.

Terms of Business

This Key Features document does not include the detailed terms for the EBS SIPP, which are contained in the Scheme Rules, EBS SIPP Fee Schedule and the EBS SIPP Terms of Business. If you would like copies of these documents please contact us.

How to complain

Our aim is to provide you with excellent service at all times. However, we do understand things can sometimes go wrong. If this happens, we will do our best to resolve your concerns as quickly as possible.

If you have an issue with any aspect of our service you can raise your concerns with us, either in writing or by telephone.

Service Recovery

Embark Group, Tyman House, 42 Regent Road, Leicester LE1 6YJ
Tel: 0116 366 8756 Email: servicerecovery@embarkgroup.co.uk

Our complaints process

Acknowledgement We will acknowledge your complaint in writing, by letter or email, summarising our understanding of your concerns, within 5 working days. There may be times where it is easier for us to call you to make sure we fully understand all of the issues you are raising. Again, we will do this within 5 working days.

Investigation Your complaint will be looked after by our Group Service Recovery Team, who will conduct an independent and impartial investigation.

Response Once we have completed our investigation into your complaint we will issue a final response letter to you. This letter will be sent out within 8 weeks of receiving your complaint and will detail our findings and advise of any further action we may choose to take. This is the final stage of our complaints process. If, for any reason we are unable to issue our final response within 8 weeks of receiving your complaint, we will write to you and explain why. We will also let you know when you can expect our final response. At this point we will provide you with details of the appropriate Ombudsman service and explain how you can refer your complaint to them if you wish.

What if you remain dissatisfied? If you are dissatisfied with our response after eight weeks and your complaint relates to the administration or management of your pension scheme you can contact:

Financial Ombudsman Service

Exchange Tower, Harbour Exchange, London E14 9SR
Tel: 0800 023 4567 www.financial-ombudsman.org.uk

If you wish to refer your complaint to the Financial Ombudsman Service, you must do so within 6 months of the date of our final response.

Financial Services Compensation Scheme

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the FSCS if we cannot meet our obligations. Whether you are eligible depends on the circumstances at the time. Further details are available on request or by visiting the FSCS website: www.fscs.org.uk/consumer

Law

All correspondence will be in English. In legal disputes the Law of England and Wales will apply. EBS Pensions Limited (EBS) is the Scheme Administrator of the EBS SIPP and is responsible for its administration and management. EBS Self-Administered Personal Pension Plan Trustees Limited (EBS SAPPPTL) acts as the Scheme Trustee. Both EBS and EBS SAPPPTL are wholly owned subsidiaries of Embark Group.

Important

The information contained in this Key Features document is based on our understanding of English law at the date of publication and HMRC practice. The tax treatment of pensions depends on individual circumstances and is subject to change in future.



020 3953 1060



ebsinfo@ebspensions.co.uk



ebspensions.co.uk

EBS Pensions Limited (No. 998606) is a company registered in England with its registered office at 100 Cannon Street, London, EC4N 6EU and is a wholly owned subsidiary of Embark Group Limited. EBS Pensions Limited is authorised and regulated by the Financial Conduct Authority (Financial Services Register number 134908).

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