



EMBARK PENSIONS FREEDOM SIPP

FEE SCHEDULE

EXAMPLE SCENARIOS

We have tried to make this schedule clear but if you have any queries or suggestions please contact us on **0116 366 8600** or **sippservicing@embarkpensions.co.uk**.

(See Section 12 of the Embark Pensions Freedom SIPP Terms and Conditions).

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 IFA recommends a SIPP for a client. The client has three pension funds with different providers which are to be transferred as cash.

In this scenario, the client's adviser is arranging for the pension discharge forms to be sent from the current providers and will arrange their dispatch to Embark Pensions. Embark Pensions will advise you and your IFA when the funds have been received, and when the final transfer is received will implement your investment strategy as advised on your application form.

What would the costs be for this?

Embark Pensions offers a choice of 2 charging structures for the Freedom SIPP. Charging Structure 1 (CS1) offers better value for lower fund sizes whilst the flat fee of Charging Structure 2 (CS2) is better suited to larger fund values (over £50,000).

Costs for getting started assuming a £50,000 transfer value with no adviser charge

	CS1	CS2
Freedom SIPP Establishment Charge	£0	£450
Initial Charge	1% of transfer amount	N/A
Annual Administration Fee	1% pa of Fund (+VAT)	£500 pa (+VAT)
Transfer-in Charge	Nil	Nil
Total Initial	£500	£1,050
Total Ongoing (assuming £50,000 fund value)	£500 pa (+VAT)	£500 pa (+VAT) (taken on plan anniversary)

Example Scenario - Taking Benefits

After several years, the client decides to start drawing benefits from his accumulated pension fund in the SIPP. He decides to take maximum allowed pension commencement lump sum together with maximum permitted income paid monthly. This is known as Income Drawdown. Should the client decide to stop drawing income, the annual income charge will no longer apply.

What would the costs be for this?

Taking benefits from the SIPP	CS1	CS2
To crystallise (start benefits)	£150 (+VAT)	£150 (+VAT)
Ongoing	CS1	CS2
Annual Administration Fee	1% pa of Fund (+VAT)	£500 pa (+VAT)
Annual Drawdown Charge	£50 (+VAT)	£50 (+VAT)
Total Ongoing per annum (assuming £50,000 fund value)	£550 (+VAT)	£550 (+VAT)

DETAILED SCHEDULE OF FEES AND CHARGES

Plan Establishment/Initial Charges

	Fee	Is VAT payable?	When is the fee taken?
CS1	1% of each cash contribution to a maximum of £500	No	When cash is received
CS2	£450	No	At outset of plan

Lump Sum Contribution Charge (applies to subsequent transfers and additional payments over £5,000)

	Fee	Is VAT payable?	When is the fee taken?
CS1	1%	No	When cash is received
CS2	£50	No	When cash is received

Annual Administration Fee

	Fee	Is VAT payable?	When is the fee taken?
CS1	1% pa	Yes	Monthly in arrears
CS2	£500 pa	Yes	In advance on plan anniversary

The following charges apply to both charging structures.

Benefits and Payments

	Fee	Is VAT payable?	When is the fee taken?
Establishment of Income withdrawal	£150	Yes	Upon request
Additional income withdrawal request	£50	Yes	Upon request
Annual income withdrawal charge	£50	Yes	In arrears on plan anniversary
Plan review request	£50	Yes	Upon request

Investment charges including property

	Fee	Is VAT payable?	When is the fee taken?
Investment transaction fee (switches)	Nil (for first 10 switches)	No	Upon request
Thereafter:	£25	Yes	Upon request
Stockbroker dealing costs (IT and equities only)	0.5% of purchase value with £20 minimum	No	At time of purchase
Property purchase acquisition fee (Avalon's solicitor used)	£500	Yes	On completion

Investment charges including property (continued)

	Fee	Is VAT payable?	When is the fee taken?
Property purchase acquisition fee (Member's solicitor used)	£900	Yes	On completion
Solicitor's costs	To be agreed with solicitor and paid by the SIPP		
Annual property administration charge	£500	Yes	In arrears on plan anniversary
Annual mortgage administration charge	£100	Yes	In advance on completion
Rent review (per property)	£200	Yes	Every three years
Property valuation (per property)	£250	Yes	Every three years

Loans from the SIPP

	Fee	Is VAT payable?	When is the fee taken?
Establishment of loan facility	£150	Yes	On completion

Transfers Out

	Fee	Is VAT payable?	When is the fee taken?
Transfer out charge	£100 (+VAT)	Yes	Deducted from transfer value

Internal Product Transfer

If the size of your Freedom SIPP means that it becomes more cost effective for you to switch from one charging structure to another, it is possible to switch subject to the following charge:

	Fee	Is VAT payable?	When is the fee taken?
Charging structure switch charge	£200	Yes	Deducted at point of switch

DETAILED SCHEDULE OF FEES AND CHARGES (CONTINUED)

Adviser Agreed Remuneration

Any adviser agreed remuneration will be deducted from each transfer or contribution received prior to investment in your selected investments. Any agreed adviser charge (normally a percentage of your fund value) will be deducted from your SIPP Fund at the end of each month.

General Information

- Embark Pensions reserves the right to review costs and charges on an annual basis. Any amendment to the charges will be notified to the member at least one month prior to their implementation.
- All initial charges will be taken from subscriptions made or transfers received prior to investment.
- If there is insufficient cash on the SIPP account to cover the deduction of the Annual Management Charges and/or adviser charge, assets will be sold to cover the fees due.
- All disbursements relating to property transactions including searches, land registry fees, stamp duty and surveyors fees are payable in addition to the property charges listed above.
- Any post establishment charges (all of which are subject to VAT at the prevailing rate) will be taken on completion of the transaction concerned, or in the case of income drawdown, on the plan anniversary.

Investment Level Charges

Many unit trusts managers operate a buying and selling price for the purchase and sale of units/shares in their fund of around 5% (although in many cases Embark Pensions has negotiated a cheaper rate). This is known as the spread. The market makers who buy and sell shares in investment trusts also operate a 'spread' (the difference between the buying price of the shares and the sale price).

This does not apply to OEICs, as they are single priced investments although purchases are subject to a preliminary charge. To prevent large purchases or sales adversely affecting existing investors, OEIC fund managers sometimes apply a dilution levy to large purchases and sales. This will be paid into the fund to protect long term investors. The dilution levy for a fund will be calculated by reference to the costs of dealing in the underlying investments of that fund, including any dealing spreads, commission and transfer taxes.

Investment trust shares purchased will be subject to stamp duty and stockbroker commission equal to 0.5% of the purchase value with a minimum of £20 and a maximum of £150. These rates may be subject to change.

Purchases in equities, warrants, exchange traded funds and bonds will also incur additional stockbroker charges and commission due.

This will include safe custody fees for stocks registered overseas, additional levies and/or tax due such as stamp duty. Safe custody fees may be up to a maximum of £100 per annum for each stock held.



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The Embark Pensions Freedom SIPP is a self invested personal pension provided and administered by Embark Services Limited. Avalon SIPP Trustees Limited are the trustee for the scheme.

Embark Pensions is a trading name of Embark Services Limited, a company incorporated in England (company number 02089815). Embark Services Limited is authorised and regulated by the Financial Conduct Authority (registration number 120820). Registered office: Tyman House, 42 Regent Road, Leicester, LE1 6YJ.