



# **HORNBUCKLE MITCHELL FLEXIBLE INCOME PENSION PLAN**

FEE SCHEDULE FOR CLIENTS OF OPENWORK

## YOUR SPECIALIST PENSION PROVIDER






For more than 30 years we've provided our pension members with access to specialist pension products and services. Our focus is always on providing our customers with the right solution through a combination of pension and investment expertise, risk controls and service.

### Understanding our fees

This fee schedule provides you with complete transparency over our fees. This ensures you have all the necessary information to fully understand the cost of running a plan with us, helping you to make an informed decision. Our pricing structure is designed to ensure our charges are appropriate for the risk and additional administration work associated with more complex asset classes. We normally require our customers to appoint and retain an appropriately regulated and authorised adviser, and additional fees may be incurred to cover the increased risks and costs involved if you do not do so.

Each section of this fee schedule is focused on a particular type of activity from making contributions to taking benefits. It includes the details of what each fee is called, when it is charged and the amount.

Our fee schedule is divided into five sections:

	<b>Core administration (including contributions processing)</b>	Pages 3-4
	<b>Investments</b>	Pages 5-9
	<b>Property</b>	Pages 10-12
	<b>Drawdown</b>	Page 13
	<b>Miscellaneous</b>	Pages 14-15

### Time-based charges

We apply a charge for time-based activities where we provide services outside of our standard charges. It is rare for this to happen, but when it does, we will tell you in advance of the work being done. Our hourly rate for this type of work is typically £150+VAT.

### Third party costs

The plan may be liable for fees relating to work completed by other professional parties (e.g. solicitors, surveyors) on our instruction as trustee. All legal fees or other expenses that are incurred by us in relation to an account or investment transfer will be charged to you.

This fee schedule is effective from 1 January 2021 until further notice.

All fees in this schedule are shown exclusive of VAT, which will be due in addition.

To discuss the fees covered in this document, please contact your adviser or our Client Servicing team on 0116 366 8600 or email [clientservicing@embarkpensions.co.uk](mailto:clientservicing@embarkpensions.co.uk).

## 1A



## MANAGEMENT FEES

Our core administration fees cover a number of activities related to the ongoing management of your plan, including our tax and regulatory reporting duties. These fees are in addition to any fees related to specific investment types, which are covered in later sections of this document.

Our annual management fees depend on the type of assets held in your plan. For details of which asset types fall into the different categories set out below, you can refer to the separate permitted investments schedule on our website: [embarkpensions.co.uk/investment-tool](http://embarkpensions.co.uk/investment-tool).

Description of fee	When does this fee apply?	When will the fee be collected?	Fee amount
Cash transfer fee	When making a cash transfer of the value of benefits from another pension scheme direct to the bank account of your FIPP	N/A	No charge
Annual management fee (traditional investments)	Annual management fee if your FIPP holds only traditional investments	Annually in advance and then on your plan renewal date	£690 per plan <sup>1</sup>
Annual management fee (non-traditional investments)	Annual management fee if your FIPP holds any non-traditional investments		£775 per plan <sup>1</sup>
Non-advised client <sup>2</sup> supplement – UK and non-UK resident	Monthly fee for any period during which you have not appointed a suitable adviser	Monthly in arrears (following the date that you cease to have an adviser)	£10 per member

<sup>1</sup> For group arrangements, the annual fee is payable by each member.

<sup>2</sup> You are a non-advised client if you do not currently have an appropriately regulated and authorised financial adviser, onboarded by us, appointed to manage your FIPP.

## 1B



## CONTRIBUTION PROCESSING

Our plans provide you with a range of options to make ongoing contributions as detailed here. We generally do not charge for making regular or ad hoc contributions to your plan, however contributions paid by cheque are subject to a fee to reflect the administration cost of dealing with them.

Please note that contributions cannot be made to a FIPP that is providing a Scheme Pension.

Description of fee	When does this fee apply?	When will the fee be collected?	Fee amount
Regular or ad hoc contribution	When setting up a regular (monthly or quarterly) contribution or making an ad hoc contribution by direct debit <sup>3</sup>	N/A	No charge
Varying a regular contribution	When instructing us of a change (amount, frequency, etc.) to a series of regular contributions		
Ad hoc contribution – cheque	When processing a cheque payment in or out of your plan, including contributions.	In advance	£150 per event

<sup>3</sup> Note that this payment method may not be available for your plan. We will inform you if direct debit is available for your plan.

Description of fee	When does this fee apply?	When will the fee be collected?	Fee amount
RAS <sup>4</sup> regular processing	When processing a relief at source claim	N/A	No charge
RAS <sup>4</sup> pre-funding fee (regular contributions)	Fee for pre-funding tax relief before received from HMRC where this service is provided	In advance	£25 per annum
RAS <sup>4</sup> pre-funding fee (ad hoc contributions)			£35 per contribution <sup>5</sup>
RAS <sup>4</sup> ad hoc processing	When processing a relief at source claim		£40 per event

<sup>4</sup> Relief at source (RAS) is the process of applying basic rate income tax relief to personal contributions (i.e. contributions other than those paid by your employer). This service is not available to all clients.

<sup>5</sup> Minimum ad hoc contribution of £500 applies.

All fees in this schedule are shown exclusive of VAT, which will be due in addition.

## 2A



## INVESTMENT DUE DILIGENCE AND EVALUATION

Our FIPPs offer you the ability to invest in a wide range of investment products, which can be of a physical or intangible nature, listed or unlisted, regulated or non-regulated. Our activity pricing reflects the risk, complexity and administration cost involved in supporting such transactions and holdings.

Before permitting a purchase or transfer in (an “in specie transfer”) of certain investments into your FIPP plan we may require the payment of a due diligence and evaluation fee, depending on the asset involved. This is in addition to the administration fee charged for the purchase or transfer of the asset. Note that due diligence fees for commercial property investments are covered in a later section.

For details of which asset types fall into the different categories set out below, you can refer to the separate permitted investments schedule on our website: [embarkpensions.co.uk/investment-tool](https://embarkpensions.co.uk/investment-tool).

Description of fee	When does this fee apply?	When will the fee be collected?	Fee amount
Due diligence fee – non-UK portfolio services (DFM and brokerage)	For the due diligence process involved before we permit the purchase or transfer of an asset into your FIPP	In advance, on receipt of an instruction to purchase or transfer the investment	£200 per provider
Due diligence fee – specialist investments – specialist collectives			£400 per asset
Due diligence fee – collective investments (non-regulated) – unlisted securities and related instruments			£550 per asset

All fees in this schedule are shown exclusive of VAT, which will be due in addition.

2B



## IN SPECIE TRANSFERS IN AND TRANSFERS OUT

We do not charge a fee in relation to cash transfers into your FIPP. For transfers of assets (“in specie transfers”) into or out of your FIPP, our fee depends on the type of asset(s) involved. Note that fees for in specie transfers of commercial property investments are covered in a later section.

For details of which asset types fall into the different categories set out below, you can refer to the separate permitted investments schedule on our website: [embarkpensions.co.uk/investment-tool](https://embarkpensions.co.uk/investment-tool).

Description of fee	When does this fee apply?	When will the fee be collected?	Fee amount
In specie transfer – cash and treasury accounts – listed securities – collective investments (regulated)	When making an in specie transfer of an asset in or out of your FIPP	N/A	No charge
In specie transfer – UK portfolio services (DFM and brokerage)		On completion for transfers in / in advance for transfers out	£120 per asset
In specie transfer – non-UK portfolio services (DFM and brokerage)			£145 per asset
In specie transfer – collective investments (non-regulated) – specialist investments – specialist collectives – unlisted securities and related instruments			£550 per asset

All fees in this schedule are shown exclusive of VAT, which will be due in addition.



## INVESTMENT INITIAL PURCHASE AND FULL DISINVESTMENTS

This section lists the administration fees charged for an initial purchase or full sale of an investment. Fees for in specie transfers in are covered in the previous section. Top-ups to and partial sales of existing investments in your FIPP are covered in the next section.

Purchase fees for commercial property investments are covered in a later section.

For details of which asset types fall into the different categories set out below, you can refer to the separate permitted investments schedule on our website: [embarkpensions.co.uk/investment-tool](https://embarkpensions.co.uk/investment-tool).

Description of fee	When does this fee apply?	When will the fee be collected?	Fee amount
Initial purchase / full sale – cash and treasury accounts – UK portfolio services (DFM and brokerage) – listed securities – collective investments (regulated)	For the initial purchase or full sale of an investment	N/A	No charge
Initial purchase / full sale – non-UK portfolio services (DFM and brokerage)		In advance, following the completion of due diligence where relevant	£250 per event
Initial purchase / full sale – collective investments (non-regulated) – specialist investments – specialist collectives			£450 per event
Initial purchase / full sale – unlisted securities and related instruments			£825 per event
Initial purchase / full sale – non-UK unlisted securities and related instruments			£1,325 per event

All fees in this schedule are shown exclusive of VAT, which will be due in addition.

## 2D



## INVESTMENT TOP-UP AND PARTIAL DISINVESTMENTS

This section lists the administration fees charged for topping up or making a partial sale of an existing holding in your FIPP. For details of which asset types fall into the different categories set out below, you can refer to the separate permitted investments schedule on our website: [embarkpensions.co.uk/investment-tool](http://embarkpensions.co.uk/investment-tool).

Description of fee	When does this fee apply?	When will the fee be collected?	Fee amount
Top-up / partial sale – cash and treasury accounts – UK portfolio services (DFM and brokerage) – listed securities – collective investments (regulated)	For a top up to or partial disinvestment from an investment already in your FIPP	N/A	No charge
Top-up / partial sale – non-UK portfolio services (DFM and brokerage)		In advance	£250 per event
Top-up / partial sale – collective investments (non-regulated) – specialist investments – specialist collectives			£450 per event
Top-up / partial sale – unlisted securities and related instruments			£825 per event
Top-up / partial sale – non-UK unlisted securities and related instruments			£1,325 per event

All fees in this schedule are shown exclusive of VAT, which will be due in addition.





## INVESTMENT ANNUAL ADMINISTRATION

We charge additional recurring administration fees for holding some investment types, as detailed below. For details of which asset types fall into the different categories set out below, you can refer to the separate permitted investments schedule on our website: [embarkpensions.co.uk/investment-tool](http://embarkpensions.co.uk/investment-tool).

Description of fee	When does this fee apply?	When will the fee be collected?	Fee amount
Investment administration – non-standard borrowing / lending monitoring	Annual fee when holding the investment type	Annually in advance from the commencement date of the loan	£250 per asset
Investment administration – unlisted securities		Annually in advance from the purchase date of the investment	£225 per asset
Investment administration – offshore investment supplement			£275 per asset
Investment administration – collective investments (non-regulated) – specialist investments – specialist collectives			£225 per asset

All fees in this schedule are shown exclusive of VAT, which will be due in addition.

## 3A



## PROPERTY INVESTMENT AND SALE

We support commercial property investment and administration across a number of key stages in the lifecycle:

- **Due diligence:** We will provide an evaluation of a commercial property to ensure we are able to confirm an investment is eligible for your plan.
- **Transfer in / purchase:** We will provide support for the purchase of a commercial property, liaising and co-ordinating with other third party professionals including lenders, solicitors and the ceding provider as required.
- **Administration:** We will provide ongoing administration of a commercial property including plan maintenance, correspondence, payment of related invoices, borrowing administration and regulatory reporting. This will also cover ongoing liaison and co-ordination with any relevant third party professionals. We will facilitate professional property services as required by the plan and / or asset. All properties must be insured and have a full repairing and insuring (FRI) lease in place.
- **Transfer / sale:** We will support the sale and / or transfer out of a commercial property from your plan. This will include liaison with third party professionals and, where applicable, the receiving provider.

Description of fee	When does this fee apply?	When will the fee be collected?	Fee amount
Due diligence fee - commercial property	For the due diligence process involved before we permit the purchase or transfer of an asset into your FIPP	In advance	£150 per asset

Description of fee	When does this fee apply?	When will the fee be collected?	Fee amount
Purchase / sale - UK commercial property (single tenant) - UK commercial property (multiple tenants) - UK land	When purchasing or selling all or part of a commercial property	In advance, following the completion of due diligence	£475 per event
Purchase / sale - UK hotel or leisure investment	When purchasing or selling all or part of a commercial property		£850 per asset
In specie transfer - commercial property	When making an in specie transfer in or out of your FIPP of all or part of a commercial property	In advance	£550 per asset <sup>6</sup>
Sale - Non-UK property	When selling all or part of a non-UK property	On completion	Time-based charge <sup>7</sup>

<sup>6</sup> This fee is charged instead of, not in addition to, the purchase fee for the property type.

<sup>7</sup> We will apply a charge for time-based activities where we provide services outside of our standard charges. We will tell you in advance of the work being done. Our hourly rate for this type of work is typically £150+VAT.

All fees in this schedule are shown exclusive of VAT, which will be due in addition.



## PROPERTY ANCILLARY FEES

Description of fee	When does this fee apply?	When will the fee be collected?	Fee amount
Change of tenant processing	For arranging the change of any tenant of a commercial property held in your FIPP	In advance	No charge
Connected party rent default (per quarter)	Fee in the event that a connected person defaults on a rent payment in relation to a commercial property held in your FIPP	Quarterly in arrears (following the default, if not corrected)	£300 per asset
Regular VAT return	For completing a VAT return in relation to a commercial property investment	In advance	£95 per event
Connected party supplement	Annual fee for the administration of a UK commercial property or land with one or more connected tenants	Annually in advance, from the purchase date of the property	£100 per member
Non-block insurance risk fee	For insuring a property in your FIPP under a policy other than our block insurance policy <sup>8</sup>	Annually in advance, and then on the anniversary of the purchase date of the property	£150 per asset
VAT registration / set-up	For registering or deregistering a FIPP for VAT returns in relation to a commercial property the owner has opted to tax for VAT	In advance	£200 per event
Uninsured property fee	Where you fail to arrange the insurance of a commercial property (including land) held in your plan.	Per event	£200 per event <sup>9</sup>

<sup>8</sup> Our block insurance policy is currently provided by Allianz Insurance plc. We can choose a different insurer at our discretion.

<sup>9</sup> In addition to the recovery of the applicable block insurance premium for the period during which the property is uninsured.



## PROPERTY MORTGAGE ADMINISTRATION AND MONITORING

Description of fee	When does this fee apply?	When will the fee be collected?	Fee amount
Mortgage arrangement / re-arrangement fee - panel lender <sup>10</sup> - non-panel lender	When arranging or re-arranging a loan	In advance	£100 per loan
Mortgage completion / final payment and closure admin	When arranging the final repayment and closure of a mortgage facility		£160 per loan
Annual loan admin fee (panel lender <sup>10</sup> )	Annual loan administration fee	Annually in advance, and then on the anniversary of the arrangement date of the mortgage	£230 per loan
Annual loan admin fee (non-panel lender)			£250 per loan

<sup>10</sup> Our panel lenders are Barclays and Royal Bank of Scotland.



## DRAWDOWN

Please be aware we no longer support new Scheme Pension arrangements within a FIPP. The fees below relate to those members already taking income from a Scheme Pension arrangement. We do provide members with the option to transfer to a Hornbuckle Mitchell Self-Invested Personal Pension (SIPP) at no cost.

Description of fee	When does this fee apply?	When will the fee be collected?	Fee amount
Triennial actuarial report work	When carrying out work in relation to the health questionnaire and subsequent review of actuarial report	On completion of review	No charge <sup>11</sup>
Ad hoc pension income instruction processing	When making a one-off payment of income from part of your SIPP plan already designated for the payment of drawdown pension, or making a lump sum payment (PCLS <sup>12</sup> )	In advance	£50 per event
Capped drawdown review / additional designation	When reviewing your maximum pension income or designating additional funds for capped drawdown		£160 per arrangement <sup>13</sup>
Annual scheme pension fee	Annual fee for the administration of your FIPP where you are already taking income from a scheme pension arrangement	Annually in advance (and then on the anniversary of first entering scheme pension)	£475 per member
Annual drawdown fee	Annual fee for the administration of your FIPP where you have designated all or part of your plan into drawdown <sup>14</sup>	N/A	No charge

<sup>11</sup> Additional external actuarial costs will apply and will be detailed at the time of the report being prepared.

<sup>12</sup> Pension commencement lump sum.

<sup>13</sup> Excludes third party valuation costs.

<sup>14</sup> This fee applies whether a pension income is actively drawn or not.

## 5A

## MISCELLANEOUS



We have a range of fees to cover occasional supplementary activities in relation to your FIPP.

Description of fee	When does this fee apply?	When will the fee be collected?	Fee amount
Non-maintenance of scheme minimum cash liquidity (per month)	In the event that you do not maintain our minimum cash balance requirement of £1,250	Monthly in advance, from the start of the next calendar month following the date you cease to meet the relevant requirement	£10 per month
Bereavement processing	When processing the allocation and payment of benefits from your FIPP in the event of your death	On notification	£350 <sup>15</sup>
Drawing up deeds	When drawing up custom deeds and other legal documents for your FIPP plan at your request	In advance	£250 per event
Pension sharing order processing	When processing the payment of benefits in relation to a pension sharing order		£600 per event <sup>15</sup>
Handling FX transactions	When processing a payment into or out of your FIPP in any currency other than sterling <sup>16</sup>	On the occurrence of the event (or upon discovery)	£50 per event
Unauthorised cash movement	In the event that you (or someone else acting on your behalf ) arranges for the payment of any amount out of your FIPP, or the misdirection of a payment that should be made to your FIPP, without our approval		£350 per event
Un-facilitated investment fee	In the event that you (or someone else acting on your behalf ) arranges for the purchase of an investment without our approval		£500 per event

<sup>15</sup> Additional transaction charges may be payable if assets in your plan are required to be sold

<sup>16</sup> If you do not organise conversion, it will be carried out by our banking partner at their prevailing rates.

The above charges indicate the standard activities involved in administering your pension plan. However, if we need to perform additional administration over and above that which is deemed reasonable, we reserve the right to make an additional charge at an hourly rate appropriate to the work and expertise involved.

## 5B



## TRANSFERS OUT

We also make certain administration charges in relation to transfers out. Where applicable these charges are in addition to any charges for the in specie transfer or sale of investments<sup>17</sup>.

Description of fee	When does this fee apply?	When will the fee be collected?	Fee amount
Moving to a Hornbuckle Mitchell SIPP	When transferring your scheme to a Hornbuckle Mitchell SIPP to provide you with access to new pension freedoms. Additional fees will apply when accessing these options	In advance	No charge
Closed plan administration	When processing a payment in relation to your FIPP plan after the plan has been closed		£25 per event
Scheme wind-up	When closing your FIPP plan (because the value of your plan has reduced to nil, except as a result of a transfer out)		£125
Transfer out fee (UK resident)	When transferring out all or part of your FIPP plan if you are UK resident for tax purposes		£100 per member
Transfer out fee (non-UK resident)	When transferring out all or part of your FIPP plan if you are not UK resident for tax purposes		£200 per member

<sup>17</sup> In specie transfer out and investment, but not the fees listed in this section, are also applicable in the event of the application of section 28.2 of the terms and conditions of your plan. For further details please refer to the terms and conditions.

## EXAMPLE SCENARIOS

### Purchasing unlisted securities

A client is looking to use their FIPP to purchase some unlisted securities in a company to which they are not connected.

Year One Cost – Purchasing unlisted shares	Fee amount
Due diligence fee – unlisted securities and related instruments	£550
Initial purchase / full sale – unlisted securities and related instruments	£825
Annual management fee (non-traditional investments)	£775
Investment administration – unlisted securities	£225
<b>Total</b>	<b>£2,375</b>

Ongoing cost – Annual administration charges	Fee amount
Annual management fee (non-traditional investments)	£775
Investment administration – unlisted securities	£225
<b>Total</b>	<b>£1,000</b>

### Transferring a FIPP to a Hornbuckle Mitchell Full SIPP to take benefits

A client is looking to use their FIPP to commence drawdown pension. They initially switch their FIPP into our Full SIPP product. Then they bring their entire plan into payment, taking their Pension Commencement Lump Sum (PCLS) and a flexi-access drawdown pension income, payable in regular monthly installments.


Year one cost – Setting up drawdown	Fee amount
Transferring a FIPP to a Full SIPP product	Nil
Flexi-access drawdown initial set-up	Nil
Ad hoc pension income instruction processing	£50
Annual management fee (traditional investments)	£690
Annual drawdown fee	Nil
<b>Total</b>	<b>£740</b>

Year Two and Ongoing Cost – Annual administration charges	Fee amount
Annual management fee (traditional investments)	£690
Annual drawdown fee	Nil
<b>Total</b>	<b>£690</b>

All fees in this schedule are shown exclusive of VAT, which will be due in addition.





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