



Please read this document carefully so you fully understand the implications of any financial decisions, and keep it safe for future reference. It may also help to refer to our online **glossary** for explanations of technical or unfamiliar terms.

# THE LIBERTY SIPP

FEE SCHEDULE

## THE LIBERTY SIPP FEE SCHEDULE

We have tried to make this Schedule clear but if you have any queries or suggestions please contact us.

You only pay for the facilities you use. These fees will apply from the 1st of April 2021.

All fees are subject to VAT.

### General

	Initial	Annual
Membership to scheme <sup>1</sup>	-	£400
Transfer fee per company (including in-specie)	£50	-
Additional standard investment x 1	-	£25
Fixed Term Bank Account (non-standard)	-	£100
Contributions via Direct Debit	-	£10

<sup>1</sup> This fee includes one standard investment, for example a DFM account.

### Property fees

	Initial	Annual
Per property (panel solicitor)	£700	£500
Per complex property	-	£700
Per property VAT reg	£200	£100 (per quarter)
Additional member fee <sup>2</sup>	-	£100
Borrowing	£385	£150
Borrowing redemption	£160	-
Lease set up <sup>3</sup> , renewal and amends	£285	-
Additional leases (multi-let properties)	-	£100
Off-panel block insurance <sup>4</sup>	-	£100
Recovery of rent arrears	-	£75 (per quarter)
Sale of a property	£415	-

<sup>2</sup> Where more than one SIPP member is buying a property.

<sup>3</sup> This fee will be waived at acquisition stage.

<sup>4</sup> Not available for purchases initiated after 31st August 2022 other than in exceptional circumstances.

All fees apply per property. Where a property is owned by more than one SIPP member, the fees are apportioned in line with each member's share of the property.

## THE LIBERTY SIPP FEE SCHEDULE (CONTINUED)

### Non standard investments

	Initial	Annual
Annual fees (UK unlisted equities)	N/A	£175
Annual fees (non-UK unlisted equities)	N/A	£175
Annual fees (other non-standard assets)	N/A	£175
Disposal fees (UK and non-UK unlisted equities)	£290	-
Disposal fees (other non-standard assets)	£825	-
Loan to third parties	N/A	£200
Enforced foreclosure of a third party loan as a result of repayment default	£550	-

These fees do not apply for certain Fixed Term Bank Accounts, which are charged at £100 pa.

We no longer permit any new investments into non-standard assets. See 'What is a Non-standard investment' section below.

### Taking benefits

	Initial	Annual
Benefit crystallisation event	£100	-
Drawdown or beneficiary's drawdown	-	£100
UFPLS payment x 1	£100	-
Early Drawdown/UFPLS payment	£100	-
Purchasing an annuity	£100	-
Death benefit lump sum	£100	-
SIPP closure	£100	-

### Transferring out

	Initial	Annual
Cash transfer to a UK pension scheme	£75	-
Cash transfer to an overseas pension scheme	£250	-
Transfer out in-specie****	£50	-
Pension sharing order	£150	-

\*\*\*\* This fee will be in addition to the cash transfer out fee.

## QUESTIONS AND ANSWERS

### What is covered by the membership to scheme fee?

The Membership to Scheme fee covers making one standard investment using your SIPP funds e.g. a discretionary fund management account.

On an annual basis this fee will cover on-going administration by us including banking transactions, liaising with third parties, forwarding correspondence and producing illustrations and annual statements.

### What is covered by the transfer fee?

The transfer fee covers all administration work which is required in order to receive the pension funds/assets from a transferring scheme based in the UK. This will be charged per transfer however if you have several policies and they are all with the same provider only one transfer fee will be charged. This fee will cover liaising with the transferring scheme, receiving and processing transfer paperwork, forwarding any relevant paperwork to you and sending confirmation of funds received.

The transfer fee will remain the same regardless of whether the assets come across to us as cash or in-specie. In-specie meaning that the assets are transferred in their present form and not encashed.

### What is a standard investment?

A standard investment is one which is FCA regulated or traded on a recognised exchange or market. It must be capable of being accurately and fairly valued on an on-going basis, readily realised whenever required and for an amount that can be reconciled with the previous valuation. The FCA has provided the following list of what they class to be a Standard Asset:

- Cash
- Cash funds
- Deposits
- Exchange traded commodities
- Government and local authority bonds and other fixed interest stocks
- Investment notes (structured products\*)
- Shares in investment trusts
- Managed pension funds
- National Savings and Investment products
- Permanent interest bearing shares (PIBs)

- Physical gold bullion
- Real estate investment trusts (REITs)
- Securities admitted to trading on a regulated venue
- Units in Regulated collective investment schemes.

\* Subject to approval.

A Standard Asset must be capable of being accurately and fairly valued on an ongoing basis and readily realised within 30 days, whenever required.

### What is a non-standard investment?

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.

A non-standard investment is simply any investment that is not a standard investment. We will only allow existing holdings of the following non-standard investments into your SIPP (subject to our due diligence and discretion):

- Unregulated collective investment schemes
- Unlisted shares
- Foreign Exchange Contracts
- Cash deposits > 30 day unbreakable term
- Unlisted equities
- Unlisted fixed income securities
- Limited partnerships
- Unauthorised unit trusts
- Trust-based property syndicates
- Hedge funds
- Offshore bonds

If you are unsure as to whether your chosen investment is standard or non-standard please do not hesitate to get in touch with us.

## QUESTIONS AND ANSWERS (CONTINUED)

### What is the additional standard investment fee for?

This is for any additional standard investments that you make in addition to the one included in the fee for membership to scheme. The fee covers processing the investment documents, making bank transfers and any on-going administration in relation to the investment including dealing with investment returns.

Please note however that our investment fee does not include any fees which may be charged by third parties, for example dealing fees.

Example: If you held two standard investments within your SIPP, you will be charged one additional standard investment fee (£25 plus VAT). If you held three standard investments within your SIPP, you will be charged two additional standard investment fees (£25 x 2 = £50 plus VAT).

### What are the non-standard fees for?

Our annual fees are for ongoing due diligence checks, monitoring and any associated regulatory costs relating to holding the non-standard investment.

### What do the property fees cover?

The property fees are charged per property. These are broken down as follows:

**Initial property fee** – This covers, but is not limited to, the appointment of solicitors, arranging surveys and reports to be carried out on the property, producing documents in relation to the purchase, arranging insurance, liaising with third parties, checking documentation is correct.

**Annual property fee** – This covers, but is not limited to, the ongoing administration in relation to the property, the payment of any invoices, insurance administration, receiving rental payments and allocating them the correct account(s), rent reviews and arranging re-valuations.

**Complex property fee** – We reserve the right to charge this fee for complex property to cover the cost of additional administration required in relation to certain properties. For example properties classified as 'Special Industrial' as per the Town and Country Planning (Use Classes) Order 1987 would incur this fee instead of our standard charge.

**VAT registration** – This includes contacting HMRC to opt the property for tax and then ensuring that any VAT paid in relation to the property is recorded and appropriately claimed back. It also includes receiving any VAT that is payable on the rent amount and allocating this to the correct account.

**Borrowing** – This includes arranging any borrowing which is required for a property purchase and checking any documentation in relation to it to ensure that it is in line with SIPP rules. It would also cover the making of loan repayments from your SIPP and any on-going administration in respect of the borrowing.

**Additional leases** – If the property is a multi-tenant property, this fee will be charged per additional lease. This fee does not apply for properties with a single tenant.

**Off-panel block insurance fee** – We use Hettle Andrews for block insurance. Should you wish to insure the property through a different provider, this fee covers the additional work required to check the chosen cover and provider are acceptable. Please note where possible all properties will be insured under our block policy where the purchase was initiated after 31 August 2022.

**Recovery of rent arrears** – This fee applies in the event that a tenant defaults on a rent payment in relation to a commercial property held in your SIPP.

Please note that these are only our fees and that other fees may be applicable such as solicitor fees, surveyor's fees and other third party fees in relation to a property purchase.

Abortive property transactions will be charged pro-rata against the initial property fee.

### When would fees be payable in relation to taking benefits?

**Benefit crystallisation event** – Every time funds are crystallised the benefit crystallisation fee will apply.

**Drawdown fee** – When you start to take benefits from the SIPP the drawdown fee will not be charged if you are just taking your pension commencement lump sum. As soon as you take any income from either capped drawdown fund or flexi access drawdown fund, the drawdown fee will be charged on an annual basis until your SIPP is closed or transferred out.

The drawdown fee covers any illustrations that have to be produced, the payment of the pension, the payment of any tax payable to HMRC and producing any relevant documents such as a P60.

For capped drawdown it will also include 3 year reviews of the pension as required by HMRC.

This will also apply for beneficiary's drawdown and successor's drawdown.

**Purchasing an annuity** – This fee covers corresponding with the annuity provider and arranging for funds to be transferred from your SIPP.

## QUESTIONS AND ANSWERS (CONTINUED)

Death Benefits (lump sum) – In the event of your death this fee would cover any administration required, including the payment of any death benefits, the payment of any tax to HMRC and the closure of the account.

### When would the UFPLS payment be charged?

If you decide to take a lump sum from your SIPP via an Uncrystallised Funds Pension Lump Sum (UFPLS), you will be charged the UFPLS payment fee.

### What is the early drawdown / UFPLS payment fee?

All drawdown and UFPLS payments are made on the 28th of each month. If you cannot wait until the 28th and would like an early payment, this fee will apply.

### When would the SIPP closure fee be payable?

The SIPP closure fee is charged when you empty your SIPP either through drawdown or UFPLS. Please note that these fees are in addition to the drawdown and UFPLS fees and will be deducted before the last pension payment.

### What does the fee for transferring out cover?

This fee covers processing the transfer out form and liaising with the receiving scheme, completing any documents required by the receiving scheme, sending pension funds and confirmation to the receiving scheme and closing your SIPP.

For an in-specie transfer out there is an additional fee due to the additional administration required, for example liaising with stockbrokers and re-assigning policies.

For a property to be transferred out in-specie the sale/transfer of a property fee would also be charged due to the additional work that would be required. This fee would cover, but not be limited to, the appointment of solicitors in relation to the transfer, liaising with external solicitors, banks and the administrators of the receiving scheme along with the completion of any transfer documentation required.

Please note that these are only our fees and that other fees may be applicable such as solicitor fees, surveyor's fees and other third party fees in relation to a property sale/transfer.

Similarly for an in-specie transfer of a non-standard asset our disposal fees will be applied in addition.

### When would the pension sharing order fee be charged?

A pension sharing order is granted by a court in respect of divorce proceedings and means that a members pension benefits could provide a pension credit to be transferable to a spouse's pension. Our fee for this would cover the administration work involved in processing the pension sharing order and then arranging the payment of the pension credit.

### SIPP bank account interest rate

As part of our agreement with our preferred banking partner, any cash deposits receive interest. Our preferred banking partner 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](http://www.embarkpensions.co.uk/banking-information).

### How will annual fees be collected?

We will retain a year's fees in your SIPP bank account and will organise a regular annual disinvestment if insufficient cash is left in the account to cover future fees.



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