

## **IPS FAMILY SIPP**

### Charges Schedule

(For Family SIPPs set up on or after 14 February 2011)

---

## Section 1

The fees payable for the IPS Family SIPP are charged by the Administrator, the IPS Partnership Plc ("IPS"). IPS issues a VAT invoice for each fee due. IPS will withdraw fees from each Member's Account within two weeks of issuing the invoice (in the case of a new IPS Family SIPP, fees are withdrawn as soon as cleared funds are available). If there are insufficient funds available, we will ask you or your Financial Adviser to arrange settlement from other

investments or funds held in respect of your IPS Family SIPP in order to meet the fees as and when they fall due for payment. Each member of the IPS Family SIPP is liable, individually and jointly with all the other members, to pay all fees due, that being the whole amount, and not just a proportionate part. You will be asked in your IPS Family SIPP application to agree that payment will not be unreasonably withheld.

## Establishment of an IPS Family SIPP

Type of charge	Amount
Scheme establishment	£500 plus VAT

This fee covers the following services:

- Provision of and establishing Trust Deed and Rules.
- Registration of the scheme with HM Revenue and Customs as a registered pension scheme.
- Registration with HM Revenue & Customs for Relief At Source where personal contributions are to be paid.

- Acting as Scheme Administrator.
- Acting as Professional Trustee.
- Establishment of scheme records.

For Group IPS Family SIPP's with two or more Members, scheme establishment charges are divided and invoiced equally between Members.

## MEMBER FEES

Fees per Member are currently charged in accordance with the following:

### Establishment and Annual Administration

Type of charge	Amount
Initial fee, paid at outset	£495 plus VAT
Annual administration fee payable from the end of year one (this is payable annually in arrears and on a pro rata basis for any transfers-out)	£445 plus VAT*

\* Or such other fee, as previously agreed with you. **Your fee may be higher if the annual administration fee agreed when your SIPP was established has since been subject to annual increases. Any future annual increases will apply to your existing annual administration fee (where this differs from £445 plus VAT).**

These fees cover the following services:

- Opening the Account.
- Dealing with regular correspondence with HM Revenue & Customs.
- Dealing with day to day general correspondence.
- Dealing with changes in HM Revenue & Customs' practice, e.g. revision of the Trust Deed and Rules.
- Maintenance of records, including correspondences.
- Provision of annual statements in accordance with legislation.
- Submission to HM Revenue & Customs of Event Reports, Accounting for Tax Returns and Registered Pension Scheme Returns.
- Reclaiming income tax on contributions.
- Acceptance of contracting-out transfers.

### Notes

- VAT is charged at the prevailing rate.
- Annual fees (including additional amounts outlined above) increase on the 1st October each year in line with the Average Weekly Earnings Index.
- We may change this Charges Schedule from time to time. We will give you 30 days' notice of a material change to section 1 of this Charges Schedule.

## ADDITIONAL FEES

Additional fees may be charged for services not covered above. These services are listed below and are subject to VAT. These fees are charged per Member, unless expressly specified otherwise. Fees for some additional services will depend on the level of involvement required.

### Retirement/Death Benefits

Type of charge	Amount
Income Drawdown calculations (per tranche)	£100
Scheme Pension calculations*	£400
Uncrystallised funds pension lump sum payment	£100 per payment
Payment of income drawdown or scheme pension via our payroll service	£150 p.a.
Income Drawdown reviews	£100
Scheme Pension reviews*	£400
In-specie payments	£250
Death benefits	See notes

\* From 31 October 2014, Scheme Pension will not be available to new or existing IPS Family SIPP Members who are not receiving Scheme Pension before 31 October 2014. IPS Family SIPP Members who are receiving Scheme Pension payments before 31 October 2014, will continue to receive their Scheme Pension payments.

### Investing in Commercial Property

Type of charge	Amount
UK purchase/transfer-in with panel solicitor (per transaction)	£600
UK purchase/transfer-in without panel solicitor (per transaction)	£800
Purchase charge per additional Member	£100
Mortgage arrangement charge	£250
Sale or transfer-out with panel solicitor (per transaction)	£450
Sale or transfer-out without panel solicitor (per transaction)	£650
Annual property charge self managed by Member (per lettable unit/property)	£480*
Additional Member annual charge (for each additional Member)	£100
Annual mortgage charge	£150*
Buy-out (buy-out with documentation changes)	£450 (plus £150)
Purchase/sale cancellation fee (per transaction)	£300
Completion of lease renewal/new lease	£200
<b>Please note there are circumstances in which we may decide to not allow property to be, or continue to be, self managed, in which case property will be managed using CBRE. If this happens, the following additional charges may apply. Please refer to your Terms and Conditions and the Commercial Property Purchase Guide for full details.</b>	
Annual property charge using CBRE (per lettable unit/property)	£750*
VAT initial registration	£120
Annual VAT charge	£100*

\* Payable on the anniversary of the property purchase, annually in advance.

Please note if there are multiple SIPP owners the above fees will be split in proportion to each Member's SIPP interest in the property.

## Contributions/Transfers

Type of charge	Amount
Cash transfers-in	Nil
Multiple cash transfers	See notes
In-specie transfers	See notes
Cash transfers-out/annuity purchase	£150
Overseas transfers-out	£400
In-specie contributions	£250

## Investments

Type of charge	Amount
Processing conventional investments/transactions	Nil
Connected party transactions (excluding Commercial Property)	£250

## Specialist Investments

Type of charge	Amount
Unquoted shares	£250 (per transaction)
Unconnected loans	£250 (per transaction)
Non-Mainstream Pooled Investments (NMPs) including Qualified Investor Schemes (QIS)*	Nil
Other specialist permitted investments	Nil

\* Please refer to the Permitted Investments List for the requirements that must be complied with before investing in NMPs.

## Administration

Type of charge	Amount
Same day CHAPS payments	£15
Lifetime allowance, refunds of overpaid contributions, unauthorised payment charges, surcharges, scheme sanction charges	See notes
Additional trustee	£100
Divorce	See notes
External bank account administration charge, excluding bank accounts with cash deposits held at a fixed interest rate for a fixed term. This charge comes into effect from 31 October 2014 and is charged on the anniversary of your SIPP.	£50 p.a. per account
Additional paper statements	See notes

## Other administration charges

Type of charge	When is the charge taken?	Amount
Late income payment administration charge	When late income payment is made	£30
Failed payment administration charge (any other payments, charges, etc.)	When we are unable to take due (or overdue) charges, expenses, etc.	£30
Overdue costs - letter charge	On issue of letter	£10

## After your SIPP has closed

Type of charge	Amount
If we receive a payment of £50 or less	We shall deduct an administration charge equal to the value of the payment received.
If we receive a payment of more than £50	We shall deduct an administration charge of £50 per payment received before forwarding the remainder (less any applicable third party fees) to you or your registered pension scheme.

## LEVIES AND TAXES

In the event of a levy being made on us under the Financial Services Compensation Scheme or any other levy or tax being imposed on us or your SIPP under any statutory provision affecting the business of SIPP providers, operators, administrators or insurance companies, we may recover

from your SIPP an amount equal to the proportion of such levy or tax that we may reasonably determine. In the event that we do this we will give you 30 days' notice of the amount that is due from your SIPP.

## NOTES

It is not possible to set a fixed fee for certain items of work, as they vary depending on their nature, complexity and amount of time involved. In these cases, IPS will aim to quote a fee at the outset and will do everything that is reasonable to stay within the quoted amount. However, this cannot be guaranteed and additional time/cost fees at a standard rate of £150 per hour plus VAT may have to be charged. Items mentioned above fall into this category. Other items are as follows:

- Detailed correspondence or meetings with solicitors, accountants or advisers.
- Particularly complex or time consuming transactions.
- Excessive chasing for transfers or other items.
- Client meetings.
- Multiple bank accounts.
- Aborted property transactions.

- Investors will be liable to pay external transaction costs such as stock exchange fees, custody fees, stockbroker's commission, stamp duty, valuation and legal fees.
- VAT is charged in addition to the above figures at the prevailing rate.
- Annual fees (including additional amounts outlined above) increase on 1st October each year in line with the Average Weekly Earnings Index.
- We may change this Charges Schedule from time to time. We will give you 30 days' notice of a material change to section 1 of this Charges Schedule. If, following a material change to this Charges Schedule, you wish to transfer your SIPP to another pension provider because you are not happy with the change, we will waive our transfer-out fee provided you give us instructions no later than 90 days' after the change came into effect, to transfer your SIPP, and you inform us that this is the reason for the transfer.

## ADVISER CHARGES

We do not give advice with regard to the IPS Family SIPP or the benefits payable from the IPS Family SIPP.

In cases where an IPS Family SIPP is established as a result of advice given by a Financial Adviser or other body regulated by the Financial Conduct Authority (FCA), or they advise on the investment of the IPS Family SIPP, charges can be paid to the Adviser by us from your IPS Family SIPP fund. The amount

of these charges must be agreed between the Adviser and their client and must be stated in the Adviser Charges section of the IPS Family SIPP Scheme Application Form. We can also accept a separate authority provided it has been signed by the SIPP Member Trustees.

Adviser charges are paid from your IPS Family SIPP on a pro rata basis from each Member's fund.

## Section 2

### FREQUENTLY ASKED QUESTIONS

#### 1. When I set up my IPS Family SIPP how much do I pay?

When your IPS Family SIPP is established, we immediately issue an invoice for the scheme establishment of £500 plus VAT. This is divided equally between the Members. We also issue an invoice for each Member's establishment fee of £495 plus VAT. Please note that the addition of VAT means the actual amount we earn in fees is less than the total amount you pay.

For example, a four Member scheme will be issued with four invoices as follows (assuming VAT of 20%):

Invoices	Amount
One quarter of £500 plus VAT	£150
£495 plus VAT	£594
<b>TOTAL</b>	<b>£744</b>

#### 2. When do I have to pay?

Our normal process is for fees to be deducted from your pension fund. This means you do not pay until there is cash held by your IPS Family SIPP. When your first contribution or transfer has cleared in the Account we will deduct our fee.

#### 3. What about my annual fee?

The first annual fee is £445 (or such other fee as previously agreed with you), plus an amount to account for the increase in the Average Weekly Earnings Index since your IPS Family SIPP was established, plus VAT. An invoice is raised for each Member on the 364th day since your SIPP was established and annually thereafter. Funds are then deducted from your Account to settle the fees a few days later. If there is not enough cash to pay the fee, we will contact you or your Financial Adviser to ask for investments to be sold to cover this. In some cases, where investments are being managed by an Investment Manager, we will contact them directly to ask for funds to be sent to pay our fee.

#### 4. Can I pay your fees personally, or can my employer pay?

You can pay our fees personally. Your employer can only pay our fees if they are funding your IPS Family SIPP by paying employer's pension contributions, meaning your IPS Family SIPP represents a staff pension arrangement.

#### 5. What happens if I cannot pay your fees?

If your IPS Family SIPP fund has no cash or saleable investments to pay our fees, we will ask you to settle these personally. If you do not pay, we will pursue payment through the small claims court. Each member of the IPS Family SIPP is liable, individually and jointly with all the other members, to pay all fees due, that being the whole amount, and not just a proportionate part. This means that if another Member cannot pay their fees from their fund, and will not pay our fees personally, you may be liable to pay these on their behalf.

#### 6. What fees are charged when I make an investment?

For most investments we do not charge an extra fee. Where a fee is charged, this is outlined above. If we charge a fee for an investment such as a property purchase, this will be invoiced when the investment is made and we will withdraw funds from your Account to settle the invoice at that time.

#### 7. What do I pay when I take retirement benefits?

When we are asked to calculate income drawdown benefits, we will issue an invoice for £100 plus VAT at that time, which is then deducted from your Account. If you start drawing an income drawdown pension from your IPS Family SIPP, we will raise an invoice for £150 plus VAT (increasing annually in line with the Average Weekly Earnings Index) each year when we issue your P60 tax year summary.

If you opt to receive Scheme Pension, we will issue an invoice for £400 plus VAT at that time, and one for £150 plus VAT each year as described above. Please note that, from 31 October 2014, Scheme Pension will not be available to new or existing IPS Family SIPP Members who are not receiving Scheme Pension before 31 October 2014. IPS Family SIPP Members who are receiving Scheme Pension payments before 31 October 2014, will continue to receive their Scheme Pension payments. If you wish to take an uncrystallised funds pension lump sum, we will issue an invoice for £100 plus VAT each time you elect to take such a lump sum payment.

These fees are charged on a per Member basis for each retiring Member.

#### 8. What about when I die?

The treatment of your IPS Family SIPP fund on death depends on a number of different factors and we cannot provide a fixed fee structure. For this reason, we charge on

a time/cost basis as outlined above. In the simplest cases, there may be no additional fee (for example, a widow's pension commences immediately on your death). However, in more complex cases, the fee could be several thousand pounds.

### 9. Why do I have to pay a fee when I transfer-out?

We have to undertake a certain amount of work. Some of this is required by legislation and some is simply to arrange the transfer of your investments to your new pension scheme. Our fee is to cover the cost of this work and is not a transfer penalty.

### 10. Do I have to pay other fees?

In some cases additional fees may have to be paid. The most common is in the case of a property purchase, where solicitor's, valuer's, mortgage arrangement and builder's fees may all be payable. We have no control over the level of these fees.

### 11. How much are the time/cost fees mentioned likely to be?

These charges can vary considerably depending on the circumstances of each individual case. The following are an indication only:

- Scheme tax charges – these take approximately one hour
- Divorce – it can take up to an hour to provide information requested in the first instance. If a transfer-out on pension splitting is required, the time spent takes approximately an hour unless an in-specie transfer is necessary
- Multiple transfers – each transfer takes approximately one hour. It can take several hours to arrange an in-specie transfer
- Multiple Bank Accounts – it takes approximately one hour to arrange for a bank account to be opened
- Aborted property transactions – this depends how far the transaction had progressed before being aborted.

### 12. What rate of interest is paid on my Account and do you retain an element of this?

- Your Account is a current account and should be used as such. However, you will receive interest on cash held in your Account. When the base rate is below 1% you will receive between £0 and £1 (depending on the total amount held) for each £1,000 held in your account throughout the year. For every 1% increase in the base rate above 1% you will receive an additional £10 for each £1,000 held in the account throughout the year.
- We currently receive between £8 and £12 for each £1,000 of cash held throughout the year in current accounts with the banks. This arrangement is based on the total funds held in client current accounts.

The difference between the amount received by us under (b) and the amount paid to you under (a) is used by us to offset the costs of running your IPS Family SIPP. This enables us to maintain lower annual product administration fees as set out in this Charges Schedule.

### 13. Do you retain any interest on any other external bank accounts?

IPS will receive between £0 and £1 for each £1,000 you place on deposit for a continuous period of a year, or a proportionate amount for shorter term deposits, for any accounts opened with a bank where IPS has negotiated a preferential interest rate for you.

### 14. How does my Financial Adviser get paid?

Your Financial Adviser will agree the level of their adviser charges directly with you. This may be a set amount or a percentage of the fund. The adviser charges can be paid from your IPS Family SIPP fund. There is a section of the Scheme Application to be completed with the agreed level of your adviser's charges. Their initial charge is paid from the initial contributions or transfers received. If they are paid regular charges (for example, annual recurring adviser charges), these are paid by us from your Account on receipt of their request.

Adviser charges are deducted from each Member's fund on a pro rata basis. For example, if a four member scheme has to pay initial adviser charges of 2% of the total transfers received at outset and the transfers received were as follows, the initial adviser charge paid by us is shown alongside:

Member	Total Initial Transfer-In	Adviser Charges Paid
Member 1	£100,000	£2,000
Member 2	£200,000	£4,000
Member 3	£150,000	£3,000
Member 4	£75,000	£1,500
<b>TOTAL</b>		<b>£10,500</b>

Where we pay adviser charges to your Financial Adviser from your IPS Family SIPP fund, we ask them to make contact when payment is due. We can only make payment with your authority, either in the application form or by a separate written instruction.

Your Financial Adviser may agree with you that they will be paid adviser charges from investments made by your IPS Family SIPP rather than by us from your Account. In these cases you will again need to provide us with your authority, and the investment provider will need to be willing to facilitate such adviser charges. The Trustees will then authorise them to pay the adviser charges.

**If you have any queries or would like to discuss our  
Charges Schedule in more detail, please contact us at:**

James Hay Partnership,  
Dunn's House,  
St Paul's Road,  
Salisbury  
SP2 7BF

Tel: 03455 212 414

Email: [enquiries@jameshaypartnership.co.uk](mailto:enquiries@jameshaypartnership.co.uk)

James Hay Partnership is able to provide literature in alternative formats. The formats available are: Large Print (as recommended by RNIB), Braille, Audio Tape and PC Disk. If you would like to receive this document in an alternative format please contact us on 03455 212 414. For the hard of hearing and / or speech impaired, please use the Typetalk service via 18001 03455 212 414.

James Hay Partnership is the trading name of James Hay Insurance Company Limited (JHIC) (registered in Jersey number 77318); IPS Pensions Limited (IPS) (registered in England number 2601833); James Hay Administration Company Limited (JHAC) (registered in England number 4068398); James Hay Pension Trustees Limited (JHPT) (registered in England number 1435887); James Hay Wrap Managers Limited (JHWM) (registered in England number 4773695); James Hay Wrap Nominee Company Limited (JHWNC) (registered in England number 7259308); PAL Trustees Limited (PAL) (registered in England number 1666419); Santhouse Pensioner Trustee Company Limited (SPTCL) (registered in England number 1670940); Sarum Trustees Limited (SarumTL) (registered in England number 1003681); Sealgrove Trustees Limited (STL) (registered in England number 1444964); The IPS Partnership Plc (IPS Plc) (registered in England number 1458445); Union Pension Trustees Limited (UPT) (registered in England number 2634371) and Union Pensions Trustees (London) Limited (UPTL) (registered in England number 1739546). JHIC has its registered office at 3rd Floor, 37 Esplanade, St Helier, Jersey, JE2 3QA. IPS, JHAC, JHPT, JHWM, JHWNC, SPTCL, SarumTL and IPS Plc have their registered office at Trinity House, Buckinghamway Business Park, Anderson Road, Swavesey, Cambs CB24 4UQ. PAL, STL, UPT and UPTL have their registered office at Dunn's House, St Paul's Road, Salisbury, SP2 7BF. JHIC is regulated by the Jersey Financial Services Commission and JHAC, JHWM, IPS and IPS Plc are authorised and regulated by the Financial Conduct Authority. The provision of Small Self Administered Schemes (SSAS) and trustee and/or administration services for SSAS are not regulated by the FCA. Therefore, IPS and IPS Plc are not regulated by the FCA in relation to these schemes or services.(01/14)