

SSAS: KEY FEATURES OF THE HARTLEY SMALL SELF ADMINISTERED SCHEME

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The Financial Conduct Authority is the independent financial services and pensions industry regulator. Hartley Pensions SSAS Trustees Limited think it important to give you this information to help you to decide whether our SSAS is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

Introduction

H. M. Revenue & Customs (HMRC) lays down the rules applicable to occupational schemes, being Registered Pension Schemes, including what are known in the industry as Small Self-Administered Schemes (SSASs).

Hartley Pensions SSAS Trustees Limited provides Small Self-Administered Schemes on an individual basis, offering Professional Trustee Services for all of our SSASs.

Hartley SAS Limited provides the day-to-day administration for us under a legally enforceable contract entered into by Hartley Pensions SSAS Trustees Limited and Hartley SAS Limited.

What is the Structure of our Small Self-administered Schemes?

Hartley Pensions SSAS Trustees Limited establishes a SSAS by Trust Deed and a set of rules, copies of which can be made available on request. Hartley Pensions SSAS Trustees Limited and each member of an individual SSAS act as the scheme trustees but as the Professional Trustee, Hartley Pensions SSAS Trustees Limited holds title to the SSAS investments. Hartley SAS Ltd is responsible for the Administration and the collection of fees due to Hartley SAS.

Hartley Pensions SSAS Trustees Limited does not offer investment advice, and works directly with intermediaries such as IFA's, Accountants, Solicitors and Stockbrokers.

We offer an Annual Trustee meeting as part of our Administration charge to ensure that our member trustees are fully informed of any changes in regulation.

Who can be a member of an SSAS?

You must be over 18 to be a member of a SSAS provided by us and you can join by completing an application form and supporting documentation, which we will supply. Upon

receipt of the duly completed forms a bank account will be opened for the scheme with the Royal Bank of Scotland to which all members are a co-signatory.

Who is responsible for managing the investments within the SSAS?

Whilst we can help with details of acceptable investments under a SSAS, You will need to appoint an authorised financial adviser or investment manager to arrange your investments within the SSAS. We cannot provide advice.

What can the SSAS invest in?

Your SSAS is allowed to invest in a wide range of investments, provided they do not give rise to any tax charge imposed by HMRC – you will be notified if such a charge could arise. Acceptable investments include equities, commercial property and land with or without a mortgage, investment funds, unit trusts and cash on deposit with a bank or building society.

If you choose to invest in Non Standard Asset (NSA) Investment it is important to ensure that you are aware the investment you have chosen is not regulated by the Financial Conduct Authority or any other financial body and is therefore classed as a High Risk investment. You should be aware of the following:

- Hartley does not endorse or promote any investment. Due diligence has been completed by us as Trustees to ensure the investment is allowable under a SSAS. Our due diligence does not cover the investments stability or suitability.
- The investment may not be covered by the Financial Services Compensation Scheme.
- You cannot personally use or benefit from the investment, if you do then high tax charges will be levied.



- All income from the investment must be paid into the SSAS bank account. If you receive any income personally from the investment then higher tax charges will be levied.
- The investment may have low liquidity. This means any surrender/sale of the investment may take time.
- The investment return may not be guaranteed.
- The cost of any investment valuations must be covered by you personally or your SSAS. A valuation of the investment must be obtained when you wish to commence benefits under your SSAS as the very least.

Am I committed to making a certain level of contribution?

Hartley Pensions SSAS Trustees Limited offers total flexibility on the amount and frequency of contributions, subject to the limits set by HMRC for tax relief. The company can make regular contributions, ad hoc payments, or stop or reduce/increase contributions as circumstances dictate at any time.

The purpose of this document is to summarise the key features of the SSAS. You should contact your authorised financial adviser or investment manager for more information on pension arrangements generally.

Our Aims

The purposes of your SSAS are:

- To enable you to save for your retirement in a tax efficient way.
- To allow you to choose from a wide range of Investment Opportunities, to build up your pension fund.
- To allow you to make your own investment decisions, in conjunction with your adviser(s), even if you are drawing an income.
- To provide a retirement income, or to take a lump sum payment in lieu of part of such income.
- To give you the option of choosing when you draw benefits and being able to take the benefits in stages, if desired.
- To provide your dependant(s) with a lump sum, pension income or combination of both, on your demise.
- Flexibility on payments into the scheme to reflect changes in your personal and financial circumstances.
- To receive transfers of existing pension schemes into the SSAS including benefits accrued from contracting out of the second state pension scheme.

Your commitments

Your commitments are:

- To make a least one contribution from the Sponsoring Company to establish the relationship between your Limited Company and the SSAS.
- To complete such paperwork as is requested in connection with the establishment of your SSAS and the subsequent arranging of investments.
- To normally wait until you are at least 55 before taking your retirement benefits.
- To accept that your contributions may need to be reviewed if you want your pension to keep up with your income as you approach retirement.
- To settle all fees and charges in respect of your SSAS promptly.
- Once your benefits have commenced to let us know the desired level of income to be paid each year, within the HMRC limits.
- To comply with our Trust Deed & Rules and terms agreed with any third party in connection to the SSAS. The trust deed & rules can be obtained from us upon request.

Risk factors

Many things could happen to affect the level of your pension at retirement. Hartley will attempt to keep you informed of the details of your SSAS through trustee meetings and scheme summaries.

- The fund and benefits it provides are not guaranteed. They are dependant on the future investment performance and market conditions at the point of your retirement.
- The benefits payable could be lower than anticipated if:
 - Investment growth is not as expected or in line with the initial expectations.
 - You decide to take your pension earlier than your original selected retirement age.
 - You are unable to maintain a level of contributions.
 - You draw a higher pension income than anticipated causing a greater reduction in the fund value unless the fund performance is very good. High withdrawals of income are unlikely to be sustainable during the unsecured income period. This could also reduce any eventual annuity you may buy.
 - Annuity or Government Actuary's Department rates and gilt yields used to calculate a pension income may be lower when you retire, than rates used for the purpose of earlier illustrations.
 - Changes to legislation or tax rules.



- You transfer your SSAS to another pension arrangement with higher charges or the new arrangement achieves a lower growth rate.
- You may not hold sufficient cash deposits to settle the benefit payments and fees which could result in investments needing to be surrendered when markets are low.
- It may take time to sell some investments within the scheme i.e. property and unquoted shares.
- The risks associated with your SSAS may increase for certain categories of underlying assets as chosen by you or your investment manager. You should also be familiar with the content of the key features that may be issued by the product provider of any underlying investment.
- The favourable tax treatment for HMRC registered pension schemes may change in the future.
- Whenever you use part of the fund for tax-free cash and start income withdrawal and/or pension purchase and annually thereafter
- At age 75 (if funds are still invested in the plan),
- When funds used for income drawdown are used to purchase a pension and annually thereafter.

At each of the above stages, an allowance is made for any tests that have already been carried out.

Special tax charges apply to any further benefits once all the LTA is used. Currently the tax charge is 55% where the excess over the LTA is taken as a lump sum or 25% where the excess is taken as pension (Pension payments will attract Income Tax).

Retirement Benefits

Normally you will not be able to start drawing benefits until you reach the minimum pension age of 55. The point at which you take your benefits is known as "crystallisation". You do not have to retire to crystallise your fund and you do not have to take all your benefits at once. The benefits available to you are:

Lump Sum Options

- **Pension Commencement Lump Sum**
Before drawing any income from the pension scheme you have a choice to draw a pension commencement lump sum of up to 25% of your crystallised value. This lump sum is currently tax free and must be paid at the commencement of the benefits otherwise the option is lost.
- **UFPLS (Uncrystallised Funds Pension Lump Sum)**
Under this option you can take money from funds that have not been crystallised, 25% will be tax free and the rest taxed at your marginal rate. These funds will need to be paid to you personally.
- **Flexi – Access**
This option allows you to take smaller lump sums, as and when you like. If you have not taken your 25% tax free entitlement then 25% of each payment is tax free and the rest paid at your marginal rate. If you have already taken your tax free entitlement then the entire amount will be taxed at your marginal rate.
- **Full Fund Payment**
This is accessible under Flexi-access or Small Pots, the full value of the fund will be transferred to you personally and the SSAS will be closed. If you have not taken your 25% tax free entitlement then 25% will be tax free and the rest paid at your marginal rate. If you have already taken your tax free entitlement then the entire amount will be taxed at your marginal rate.

If you are planning to transfer the value of other pension benefits into your SSAS, it is essential that you seek advice from your financial adviser or investment manager before doing so. You will need to be made aware of any potential loss of valuable benefits for you and your dependants, and possible guarantees, written into the terms of the pension being transferred.

Contributions

- Your financial adviser or investment manager will advise you regarding your eligibility to invest in a SSAS.
- You can transfer other assets i.e. shares, in to your SSAS as in specie contributions however independent "financial advice should be sought before paying in any in specie contributions as there may be additional fees or tax charges applied.

The pension input period for the SSAS is 6 April to 5 April – this means contributions are treated as being made in the tax year.

Is there a limit to my SSAS?

The maximum you can take from all your pension arrangements without incurring special tax charges is called the Lifetime Allowance (LTA) and is currently set at £1million.

You may have to pay tax on the value of the excess over the LTA when you take your benefits. You may have taken steps to avoid this tax charge by applying for HMRC protection; if you think you have HMRC protection on your pension, you should speak with your adviser, especially before you pay funds into your SSAS.

Every time you take benefits from the plan in the form of a benefit crystallisation event, some of your LTA is used up.

Checks against the LTA are carried out at various points, including:



Income Options

- **Annuity**

An annuity is a financial product which turns some or all of the money in your pension fund into an ongoing income at retirement. Hartley Pensions does not offer annuities. You will be required to transfer or all part of pension fund to an annuity provider to take this option.

- **Capped Drawdown**

Capped drawdown is only available where the member is already in Capped Drawdown under the scheme.

This option is where by the pension income is calculated and paid from the pension scheme. The pension is calculated using your age and the Gilt Yields and Government Actuary Department (GAD) rates at the date your benefits are calculated. Once the pension levels have been calculated and any chosen lump sum has been paid you can draw a pension income from the scheme at any level between zero to the maximum calculated. All pension income is taxed via PAYE. The pension levels calculated last for 3 years and then they are recalculated as at the anniversary date of the original benefit calculation.

The reduced annual allowance (MMPA) is not triggered if you chose to stay in capped drawdown.

- **Flexi-Access**

Under Flexi access drawdown you are not restricted to the maximum pension calculated and can draw any level of income desired from your Hartley SSAS which is taxed via PAYE. When drawing a flexible income it is important that you take in to consideration of your future "financial needs and the needs of your dependents or nominated beneficiary.

All pensions in payment are taxed as earned income, and paid on either the 14th or the last working day of the month.

Before making any decisions regarding the withdrawal of benefits you are recommended to seek independent "financial advice, or consult www.pensionwise.gov.uk. Pensionwise is a free impartial service that helps consumers understand their options at retirement.

Death Benefits

In order for the Trustee to pay benefits on your death you must complete an Expression of Wish Form. This can be done at any point during the life of the SSAS.

Death before age 75

If you die prior to the age of 75, the scheme's trustee has discretion to pay the following benefits from your Funds:

- The value of your fund can be paid out tax free to a previously nominated beneficiary.

- The value of your fund can be used to provide a tax free pension for a "financial dependant or nominated beneficiary. This can be by means of an income paid from the SSAS or by the purchase of an annuity with an insurance company.
- A mixture of the above benefits can be paid.

Death after age 75

If you die after age 75, the scheme's trustee has discretion to pay the following benefits from your fund:

- The value of your fund can be paid out to a previously nominated beneficiary. This will be taxed at the beneficiary's marginal rate.
- The value of your fund can be used to provide a pension for a financial dependant or nominated beneficiary, as above.
- A mixture of the above benefits can be paid.

Other factors

If the contributions paid to The Hartley SSAS and any other registered pension schemes exceed the annual allowance, you will be personally liable to pay a tax charge.

Fees

The Hartley SSAS annual fees are taken annually in advance on the SSAS anniversary date. Adhoc fees are shown on the SSAS's full fee schedule, which is available from your financial adviser or directly from Hartley Pensions SSAS Trustees Limited. All fees are subject to VAT and may increase with RPI. The SSAS fees are not based on the fund value or performance of the investment.

The annual fee covers

- Professional responsibility and independent Trustee of the scheme.
- Ongoing responsibility as scheme administrator.
- Routine administration of the SSAS including carrying out non reportable transactions, routine record keeping, regular advice to The Pensions Regulator and general technical and administration queries.
- Preparing and filing HMRC annual Pension Scheme Returns, and HMRC Event Reports and Pension Regulator Returns when necessary, and paying Pension Regulator fees where applicable.
- Ongoing negotiations with, and ad hoc reporting to HMRC, including audit requests.
- Individual returns to HMRC.
- Issuing of Statutory Money Purchase Illustration statements as required by the DWP pension legislation.
- Revisions to the Trust Deed and Rules required as a result of a change in legislations or HMRC practice.
- Facilitating the purchase and sale of assets on behalf of the scheme.
- Reclaiming Tax Relief from HMRC on personal contributions, when applicable.

Please ensure that you have sufficient funds available in the RBS account to settle the fees due.



Any changes to The Hartley SSAS fees will be announced 30 days in prior to these changes coming into effect.

Further information

If the contributions paid to the SSAS and any other registered pension schemes exceed the annual allowance, there could be a liability to pay a tax charge.

If you are unsure whether the SSAS is suitable for you, you should consult your financial adviser or investment manager.

For further information or if you have any cause for complaint about the service you have received please contact:

SSAS Complaints

Hartley SAS
5th Floor, 25 Marsh Street
Bristol, Bs1 4AQ
Tel: 0117 316 9991
Fax: 0117 929 8808
E-mail: admin@hartleysas.co.uk

If you wish to pursue any particular issue further, you can contact the Pensions Ombudsman at:

The Office of the Pensions Ombudsman
11 Belgrave Road
London SW1V 1RB
Tel: 020-7630-2200
Fax: 020-7821-0065
Email: enquiries@pensionsombudsman.org.uk

Disclaimer

The information provided in this Key Features Document is based on our understanding of current legislation, practice and taxation, and is subject to change as tax laws and legislation may change over time. Nothing in this Key Features Document should be taken as giving any sort of investment advice.

Contact Details

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