

# Key Features of the Greyfriars Preferred Retirement Account (GPRA) a Self-Invested Personal Pension (SIPP)

Provided and operated by Hartley Pensions Limited, administered by Hartley-SAS Limited

## keyfacts<sup>®</sup>

The Financial Conduct Authority is an independent financial services regulator. It requires us, Hartley Pensions Limited (Hartley), to give you this important information. You should read this document carefully so that you understand the key facts of the product you have purchased and then keep it safe for future reference.

### Helping you to decide

**This document provides you with information about the main features of the Greyfriars Preferred Retirement Account SIPP. It describes the aims of the product, what you have committed to, and the risks associated with the SIPP.**

### Further information

**If you have a financial adviser, this should be your first point of contact if you have any questions about this SIPP.**

**More detailed information is available from the SIPP Rules, a copy of which is available for inspection on request.**

### Its aims:

- To provide a tax efficient\* way to save for your retirement.
- 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.
- Please note benefits cannot be taken before your 55th birthday, unless exceptional circumstances apply, such as incapacity due to ill health.
- To provide a pension or a lump sum for beneficiaries on your death.
- To give you the option of choosing from a wide range of investment opportunities, to build up your pension fund.
- Flexibility on payments into the scheme to reflect changes in your personal and financial circumstances.

**\*HM Revenue and Customs practice and the law relating to taxation are complex and subject to individual circumstances and changes which cannot be foreseen.**

### Your commitment

- To pay at least one payment into your SIPP this can be via a transfer-in of previous benefits and/or contributions.
- To understand the features of the SIPP and to adhere to the rules of the SIPP.
- To inform us if your pension contributions to all your pension arrangements in a given tax year exceed your annual earnings for that tax year.
- Any tax-free\* lump sum that you take will not exceed the limits set by HM Revenue & Customs (HMRC).
- You will tell us if you stop being entitled to receive tax relief on your contributions.
- Apart from exceptional circumstances such as serious ill health, you will not access your pension benefits earlier than age 55.
- You, and where applicable your adviser, review your investment strategy to monitor that the funds invested within your SIPP remain on track to meet your investment objectives.
- You will tell us about any pension benefits you have accessed from any other product/product provider.
- To pay our fees promptly as outlined within our fee schedule, as amended from time to time.
- To complete paperwork when required in connection with the on-going administration and the subsequent arranging of investments.

If you fail to maintain the commitments in respect of HMRC rules, you may be liable for punitive tax charges and penalties levied by HMRC, and your pension and cash benefits may be seriously affected.



## Risks

- Many things could happen to affect the level of your pension at retirement. Any illustration you may receive is an indication only, based on statutory assumptions, which SIPP providers must adhere to.
- If you are transferring benefits into your SIPP from another pension scheme, there is no guarantee that the benefits from your Greyfriars Preferred Retirement Account SIPP will be greater than you would have received from the other pension scheme. You may get back less. In addition, you may also be giving up certain rights in the other pension scheme that are not provided by your new SIPP, such as death benefits, or a guaranteed rate to convert your pension fund into pension income when you take benefits (known as a guaranteed annuity rate).
- If you have registered with HMRC for Enhanced Protection (relating to pension rights built up before 6 April 2006), or one of the forms of Fixed Protection (2012, 2014 or 2016), you will lose that protection if you, your employer or any third party makes a contribution to your SIPP.

## Investment risks

- Your benefits will be affected by investment performance. Investment performance cannot be guaranteed, and the value of your SIPP can go up or down.
- The investments that you select for your SIPP will have different levels of risk. Past performance is not a guide to future returns.
- Some investments, such as commercial property, will take longer to sell than others and you will need to take this into account when you consider drawing your pension benefits. Property valuation is a matter of judgment by a professional valuer.

**The value of your investments and any income from them may fall as well as rise and is not guaranteed. You may get back less than you invest.**

- Ceasing or reducing contributions when the intention was to pay regular contributions will result in a lower fund at retirement.
- Charges to your SIPP and charges on the underlying investments may also change.
- Tax Rules and legislation may change.

## Questions and Answers

### What is a SIPP?

A SIPP is a Self Invested Personal Pension, its effectively a wrapper, for those who are comfortable making their own investment decisions. SIPPs are normally designed to offer the investor a wider range of investment choices than more traditional personal pension plans.

### Is this a Stakeholder Pension?

No. The Government has set minimum standards that companies must meet for a Stakeholder pension. These are to do with payment levels, charges, and terms and conditions. This plan is not a Stakeholder pension because our charges can be higher than the government Stakeholder standards.

As Hartley don't offer advice, we are unable to suggest which type of plan suits you and suggest you contact a Financial Adviser.

### Can I change my mind?

As your SIPP has been established for over 30 days you can not cancel the SIPP. However, there are two circumstances where you can change your mind and invoke "cancellation rights".

### Transfer of funds from other pension arrangements to your SIPP

Upon receipt of a request to transfer benefits from another scheme to the SIPP you will be issued with a cancellation notice allowing you 30 days to change you mind. Please note that if you do change your mind regarding any transfer to the SIPP it may not be possible as the original provider may not accept any return any transfer of funds to the original pension arrangement. In this case you would need to arrange for another pension arrangement to accept the transfer. Charges will however still be payable due to the work already undertaken in respect of the transfer to your SIPP.

### Upon taking benefits for the first time from your SIPP

Having accepted a quotation of retirement benefits provided by us at the point you are looking to take benefits from your SIPP, you will be issued with a cancellation notice allowing you 30 days to change your mind.

If you decide to cancel the commencement of your benefits from the scheme within the 30 day period then you will be obliged to return any payment received in respect of the transaction. All refunds made will be net of any adviser fees already paid.

## Contributions & limits

### How much can I contribute to my SIPP?

There is no minimum level of regular or single contributions. Nor is there any minimum transfer value, if you wish to transfer in monies from other pension arrangements. HMRC have set limits on the total amount on which a SIPP administrator can claim tax relief on your behalf to add to your pension pot (relief at source). Please also see the later section titled 'what is the Annual Allowance'



## Personal contributions

Currently at the time of writing (2018/19 tax year) in any tax year you can pay up to 100% of your relevant UK earnings, or £3,600 gross, if greater. This limit applies to the total contributions made to all your pension plans, not just this SIPP. Personal contributions to your SIPP are paid net of basic rate tax. Hartley will reclaim this from HMRC on your behalf and add this to your SIPP (relief at source). If you are a higher rate or additional rate taxpayer, the additional relief must be claimed by you personally, through your self-assessment tax return.

**HM Revenue and Customs practice and the law relating to taxation are complex and subject to individual circumstances and changes which cannot be foreseen.**

## Employer contributions

The HMRC limits do not apply to any contributions paid by your employer, however any contributions made on your behalf will be set against your annual allowance (see below). Employer contributions will be deductible for the employer's tax purposes to the same extent as other remuneration, e.g. for a trading company, they will be subject to the 'wholly and exclusively for the purposes of the trade' test.

## Transfer payments

The HMRC limits do not apply to any transfer payments made into your SIPP from another pension arrangement.

## How can I make payments into my SIPP?

### Regular contributions

If you or your employer will be making regular contributions into your SIPP, please set up a Direct Debit to credit your SIPP bank account. You can stop or restart payments at any time by contacting Hartley.

### Single contributions

Single contributions by you or your employer can be made at any time, by cheque or BACS into your SIPP bank account. All contributions must be accompanied by a completed contribution form.

### Transfers in

You can transfer funds either as cash, or sometimes directly in the form of other assets, into your SIPP from other UK registered pension schemes, including schemes you are already receiving an income from. As Hartley do not provide advice we would recommend that you seek expert advice before any transfer, to assure you are fully aware of the potential risks.

### What is the 'Annual Allowance'?

Please note that HMRC has set an Annual Allowance for the tax relief on pension savings. The total contributions that you, your employer and any third party can make to all your pension

arrangements, including this SIPP is £40,000 for the current tax year 2018/19 at time of writing. (Transfer payments are not included in the calculation).

If you have 'flexibly accessed' any of your pension savings (please refer to the section on Benefits below), your annual allowance will be reduced to £4,000. You will also have a lower annual allowance if your 'Adjusted Income' (your total taxable income before any Personal Allowances and less certain tax reliefs) exceeds £150,000. For every £2 of income over £150,000 p.a., £1 of the annual allowance will be lost with a maximum reduction of £30,000. The annual allowance will not fall below £10,000 and is capped at £40,000.

If your contributions exceed the annual allowance you will have to pay a tax charge, effectively cancelling out any tax relief.

### What is the 'Lifetime Allowance'?

The Lifetime Allowance is a limit set by HM Revenue & Customs (HMRC) for the amount of pension benefit that can be drawn from pension schemes before taking of benefits triggers an extra tax charge. HMRC has set a Lifetime Allowance on the total funds in all your pension plans.

In the tax year 2018/19 at the time of writing this allowance is £1,030,000, and this is due to increase to £1,055,000 for in the tax year 2019/20, but HM Revenue & Customs practice can be open to changes that can't be foreseen. Any funds over this allowance will be liable to a tax charge of 55% for a lump sum, or 25% if kept in the scheme to be drawn as a pension.

Please note that you may be entitled to a higher lifetime allowance if you have already claimed enhanced, primary, or fixed or individual protection of your pension rights. Please speak to your adviser if you are unsure as to whether this applies to you.

## Investments

### What can I invest in?

You can choose how your fund is invested subject to certain limits and safeguards in the scheme Rules and relevant tax legislation. You can take full responsibility for your investment decisions, or you can take advice from anyone duly authorised to give investment advice. Investments generally permitted include:

- Cash,
- Shares quoted on the London and recognised overseas Stock Exchanges,
- Unit trusts, open ended investment companies
- (OEICs) and investment trusts,
- Insurance company funds,
- UK commercial property and land,
- Second-hand endowment policies (TEPs).
- In addition, your SIPP can borrow up to 50% of its (net) value at any time.



## **Are there any investments or transactions that are not allowed?**

Generally, the following investments and transactions are prohibited:

- Loans to you or anyone connected with you,
- Residential property,
- Tangible moveable property (this can mean plant and machinery as well as items more obviously capable of private use, such as paintings, vintage cars, wine or other 'personal chattels').

The Rules give Hartley the right to refuse any investment request if, broadly speaking, it considers that it might result in substantial adverse tax charges or not be consistent with the Rules of the scheme or prevent the payment of fees properly due, or it would be likely generally to carry unacceptable risks or require unduly complex administration.

## **How will I know how my investments are doing?**

We will provide you with an annual illustration of your SIPP and ad-hoc valuations can be made available upon request.

## **How will investments in my SIPP be taxed?**

The funds within your SIPP will accrue broadly free of income and capital gains tax. Where applicable, Hartley will reclaim any tax relief deducted from income received. (Please note that tax credits withheld on dividend payments from UK equities and any tax withheld overseas cannot be reclaimed).

## **How often is my SIPP valued?**

For reporting and legislation purposes we require at least annual valuations on the chosen investments under your SIPP to be provided, triennial for commercial property, plus the availability of ad hoc valuations for events such as benefits calculations.

We are reliant on third parties to provide valuations. If you choose to invest in commercial property, you will be required to obtain and provide us with a valuation of the property every 3 years as a minimum, unless required sooner.

If the property is intended to be sold to a connected party you will be required to obtain an up-to-date valuation of the property. If the property is intended to be sold to an unconnected party, a valuation is not required for the sale itself but you will still be required to obtain a valuation of the property every 3 years minimum should the sale be prolonged. The valuation must be carried out by a qualified member of The Royal Institution of Chartered Surveyors (RICS), and this member should be independent from you.

Fees incurred for obtaining the valuation can be paid or reimbursed from cash funds in the pension scheme upon receipt of an appropriate invoice and providing that sufficient funds are available.

In the event valuations are not provided, the value of the investment will be noted as NIL until an accurate valuation is made available.

## **Pension Benefits**

### **Where can I get advice about taking benefits from my SIPP?**

We strongly recommend that you seek financial advice before making a decision about drawing your pension benefits. You are entitled to free and impartial advice about your pension benefit options from the Government-sponsored 'Pension Wise' service ([www.pensionwise.gov.uk](http://www.pensionwise.gov.uk)). This service is provided by the Citizens Advice Bureau (for face to face advice) and the Pensions Advisory Service (TPAS) for telephone advice.

### **How will I know what my benefits are likely to be?**

We will provide you with an illustration each year, to give you an idea of what the level of your benefits might eventually be.

### **When can I take benefits?**

You can start taking benefits at any time from age 55 and you are not required to retire from employment/self-employment in order to do so. There is no maximum age before which you have to start drawing benefits. From 2028 the age you can withdraw benefits will rise to 57 years.

### **Do I have to take all my benefits in one go?**

No. Applying funds to provide benefits is known as a Benefit Crystallisation Event (BCE). When this happens the funds being applied are counted against your unused Lifetime Allowance (see 'What is the Lifetime Allowance?' above). You do not have to apply all the funds in your SIPP for benefits at the same time, but can 'phase' the taking or 'crystallisation' of benefits.

### **What sorts of pension benefits can I take from my SIPP?**

There are 2 basic approaches for taking money out of your SIPP, an income approach and a cash approach:

**Income approach** – under this option, you can take a tax free lump sum of up to 25% of the value of your SIPP fund. The remaining value is used to set up a taxable income through either;

- **An annuity:** your SIPP assets are sold and the monies are transferred to an insurance company of your choice, who will pay you a regular, taxable, income throughout your lifetime. There are several different types of annuity, each of which can be tailored to your personal requirements.
- **Flexi-access drawdown:** you can receive an income directly from your SIPP, while the remaining funds continue to be invested. You can vary the level of income at any time, and there is no maximum amount; you can even take the whole amount out in one go if you like. However, you should remember that the income will be taxed, so if you withdraw a large sum, you may end up paying a higher rate of tax than usual.



If you flexibly access your pension pot this triggers a restriction on future tax relievable money purchase contributions to your pot of £4,000 a year.

Apart from any tax free lump sums that you take, with both the Lifetime Annuity and Flexi-Access Drawdown options you will be taxed under the Pay as you Earn (PAYE) system. When you receive a payment, the tax has already been deducted, just like the way tax is paid on a salary.

**Cash approach, taking an Uncrystallised Fund Pension Lump Sum (UFPLS)** – you can take one or a series of lump sums from your SIPP, until your fund is exhausted. Each time you take a lump sum, 25% is payable tax free\*, with the remainder taxed as pension income under the PAYE system. You must have sufficient remaining unused Lifetime Allowance (see ‘What is the Lifetime Allowance?’ on page 3). Certain restrictions may apply if you have enhanced or primary protection. To check whether this option is available to you we would recommend that you seek financial advice prior to applying to take benefits.

Payment of a UFPLS will trigger a restriction on any future tax relievable money purchase contributions to your pot to £4,000 a year.

Across all pension arrangements, you may be able to take up to three small pots subject to the SIPP Value being under £10,000 and as long as when taken it means all the SIPP funds are exhausted. 25% will be tax free and 75% will be subject to marginal rate income tax in the same way as UFPLS. Taking small pot payments does not trigger a restriction on future tax relievable money contributions to your pot.

**\*Tax concessions are not guaranteed and may change in the future. Tax free means the investor pays no tax.**

#### **Where do you send my pension benefits?**

Pension income is paid directly to your chosen bank account, net of any income tax deducted in accordance with the PAYE arrangements as referred to above. All bank accounts will need to be verified prior to the payment of benefits.

We will start paying benefits on receipt of the applicable forms and risk warnings, and when there is sufficient cash in the SIPP bank account. In the case of income payments, this must be ten working days prior to the payment date.

You can choose to be paid on either the 14th or 28th of every month, unless this falls on a weekend where by the payment will be made the first working day prior. If you are already in receipt of pension income under GPRA then you will be paid on the 14th of each month moving forward unless we are instructed otherwise.

#### **What happens if I am in capped drawdown?**

If you had started to take payments from your pension prior to the April 2015 pension freedoms, your pension is designated as capped drawdown. This will mean that you are allowed to take income from your pension up to a certain limit each year. You are entitled to keep your pension as capped drawdown or if you wish to have more freedom, you can convert to a flexi-access drawdown arrangement meaning that there would be no capped income limit. You will need to consider implications such as the Money Purchase Annual Allowance and a different charging structure.

#### **Is SIPP income subject to National Insurance?**

No.

### **Death Benefits**

#### **What happens to my SIPP if I die?**

When we are notified of your death by your personal representative, we will ask for a copy of your death certificate. We will carry out due diligence on any beneficiary noted and then discuss options with them. Please note that the trustee retains ultimate discretion over the distribution of your pension.

The option regarding any remaining funds are

- 1) Take benefits as a lump sum, benefits will be paid tax free if designated within 2 years of us being notified. If you die after the age of 75 or the benefits are designated after 2 years any lump sum paid will be subject to the beneficiaries marginal rate
- 2) Take benefits as income, we can do this by setting up a SIPP in the name of the beneficiary or transfer to a pension arrangement of their choice. Income will be paid tax free if designated within 2 years of us being notified. If you die after the age of 75 or the benefits are designated after 2 years any lump sum paid will be subject to the beneficiaries marginal rate.

If benefits are paid to a charity, company or a trust then these may be subject to a 45% tax charge.

**HM Revenue and Customs practice and the law relating to taxation are complex and subject to individual circumstances and changes which cannot be foreseen.**

#### **Can I transfer out of my SIPP?**

Yes. You can close down your SIPP and transfer the assets to another Registered Pension Scheme subject to:

- All our fees being settled prior to transfer, and
- Investments being liquidated and transferred over as cash where necessary, which may involve costs dependent upon the contract terms of those investments.



## Fees

### Where can I find out about the cost of my SIPP?

The SIPP fees are taken annually in advance on the SIPP anniversary date. The SIPP fees are detailed in the current SIPP Fee Schedule which is available from your financial adviser or Hartley Pensions Limited. All fees are subject to VAT and may increase with RPI. The SIPP fees are not based on the performance of the investment.

All fees are reviewed regularly and can be subject to change. Any changes to the SIPP fees will be announced 30 days prior to these changes coming into effect.

If investments within the SIPP are not income generating then a minimum level of cash in the SIPP bank account or readily realisable assets of £2,000 needs to be retained in the SIPP.

An invoice for the annual SIPP fees will only be provided if there are insufficient funds in your SIPP and alternative arrangements are required to settle the fees. An invoice can still be provided upon request.

In respect of any pension advice received, your SIPP can facilitate adviser charges. If applicable, your advisor will be asked to invoice your SIPP via ourselves and we will deduct their fees and ours from the SIPP bank account as per the bank mandate and these terms.

## Structure

### What are the rules that govern my SIPP - the Greyfriars Preferred Retirement Account (GPRA)?

The SIPP was established under master trust deeds and sets of rules, copies of which can be made available on request. Hartley Pension Trustees Limited is the scheme trustee and as such holds title to the SIPP's investments. Hartley Pensions Limited and Hartley Pension Trustees Limited have entered into a Service Agreement with Hartley SAS Limited, whereby the day to day administration of the SIPP is delegated to Hartley SAS Limited. Hartley SAS Limited is also responsible for collection of all fees due to Hartley Pensions Limited.

### Who is the Operator of my SIPP?

The SIPP is provided by Hartley Pensions Limited which is authorised by the Financial Conduct Authority (FCA) to operate Self Invested Personal Pensions (SIPPs).

### Who is the Trustee of my SIPP?

Hartley Pensions Trustees Limited is the scheme Trustee. By the completion of a short supplemental Trust Deed you can be appointed as co-Trustee (also referred to as the member Trustee) of your SIPP. This Deed can also be used to appoint an additional Trustee effective in the event of your death.

### How are my investments registered?

Your investments will usually be registered in the names of Hartley Pension Trustees Limited and yourself, as the member Trustee, if applicable. As per clauses 3 and 4 of the Scheme Rules the Operators reserves their right, by deed, at any time to remove any Trustee so appointed.

### How will payments be made from my SIPP?

Your SIPP will maintain a separate bank account with Cater Allen bank which will be controlled by Hartley. Any payments from the SIPP bank account must be authorised by Hartley.

## Other information

### How can I contact you?

Your adviser will normally be your first point of contact. If you have any questions or would like to make any changes to your plan you can phone, fax, email or write to us:

- **Telephone:** 0117 316 9991, Monday to Friday, 09:00 – 17:00. (Please have your SIPP number ready when calling).
- **Email:** greyfriarsGPRA@hartleypensions.com
- **Correspondence address:** Hartley Pensions Limited, 5th Floor, 25 Marsh Street, Bristol, BS1 4AQ

### What should I do if I have a complaint?

If you have a complaint about your SIPP, please contact us in writing, by email, or telephone, using the contact details shown above. You can make a complaint yourself, or someone else can do it on your behalf, as long as you have given them written authority to do so.

If you are not satisfied with our response to your complaint, you can contact the Financial Ombudsman Service by writing to: The Financial Ombudsman Service, Exchange Tower, Harbour Exchange, London, E14 9SR, or by calling 0300 1239123, or by sending an email to [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

Alternatively, if your complaint was in respect of the administration of your SIPP you can complain to the Pensions Ombudsman either in writing: The Pensions Ombudsman, 10 South Colonnade, Canary Wharf, London, E14 4PU or by calling 0800 917 4487.

You can also contact the Pensions Advisory Service by writing to: The Pensions Advisory Service (TPAS), 11 Belgrave Road, London, SW1V 1RB, or by calling 0800 011 3797.

## Law

The law of England will govern any dispute in relation to the scheme. The information contained in this document is provided based on our understanding of current law, the practice of HM Revenue & Customs, and the practice and guidance of the Financial Conduct Authority (FCA).



## Compensation

The Financial Services Compensation Scheme (FSCS) has been set up to provide protection to consumers if authorised financial services firms are unable, or are likely to be unable, to meet claims against them.

Different limits apply to different types of investment. In some circumstances, you might not be eligible for any compensation under the FSCS.

In respect of investments you may be eligible for:

- Compensation under the FSCS up to £50,000, will increase to £85,000 from April 2019.
- Deposits: an eligible depositor is entitled to claim up to £85,000. This limit relates to the combined amount in all the eligible depositor's accounts with the bank, including their share of any joint account, and not to each separate account. More details are available from the FSCS website: [www.fscs.org.uk](http://www.fscs.org.uk), or you can call them on 0800 678 1100.



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Hartley Pensions is part of the Wilton Group, registered in England and Wales No. 09469576.

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