

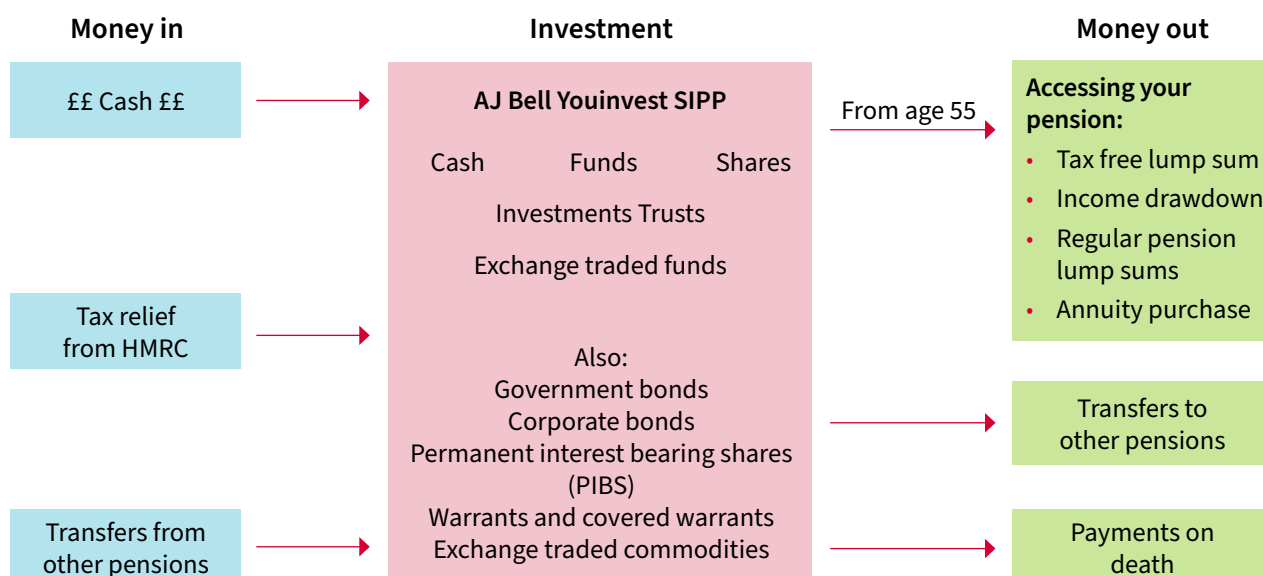
SIPP

Key features

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How the AJ Bell Youinvest SIPP works



Aims

An AJ Bell Youinvest SIPP aims to do the following:

- Help you save tax-efficiently for your retirement – by paying contributions or transferring in from other pensions
- Give you the freedom to choose from a wide range of investments, invest your pension pot where you choose, and manage your portfolio yourself
- Provide you with an income – in the form of lump sums and/or regular income – when you decide the time is right
- Provide your chosen beneficiaries with lump sums and income on your death

Your commitment

When you open an AJ Bell Youinvest SIPP, you commit to do the following:

- Before you open a SIPP with us, make sure you understand the features, benefits and risks to confirm that it meets your needs and expectations
- Take responsibility for deciding how your SIPP is invested
- Make sure the regular or single contributions you pay into your SIPP are enough to meet your needs in retirement
- Agree to be bound by our SIPP's terms and conditions
- Be responsible for arranging any transfers you want to make from another pension scheme into your SIPP
- Wait until age 55 – increasing to age 57 from 2028 – before taking money from your SIPP. Only in rare instances (e.g. serious ill health) is earlier access allowed
- Agree to pay the charges and rates associated with your SIPP, and keep enough cash in your SIPP to cover these ongoing charges

Risks

The risks associated with your SIPP fall into three main categories. These are the money you pay in, the investments you make, and the money you withdraw. We explore them in turn below.

When deciding whether our SIPP is right for you, you should also consider the effect that risk factors beyond your control may have on your pension plans. These include the tax relief available, inflation, interest rates, annuity rates and charges. For further information, visit moneyadvice.service.org.uk.

Payments to your SIPP

- When you transfer a pension from another provider to your SIPP, particularly a final salary pension, you may give up guarantees over the way you access your pension, the amount you receive and any increases that apply to your pension in the future
- When transferring a pension to your SIPP, your existing provider may apply a penalty, or a reduction to the value of your pension
- The amount you pay into your SIPP will affect the eventual size of your pension. If you delay paying into your SIPP, your investment growth may be lower as a result
- The rules relating to the tax relief you receive on contributions may change in the future

Investments within your SIPP

- The value of the investments in your SIPP and the income you receive from them can fall as well as rise. That means you may get back less than the amount you invested
- Past performance is not an indication of future performance. Some investments need to be held for the long term before you achieve a return
- If the value of your SIPP is small and/or you deal frequently in small amounts, you may pay disproportionately high dealing charges – eroding the value of your SIPP
- The capital gains and income tax rules may change in the future
- Your investment returns may be lower, and the charges may be higher, than indicated by any illustrations you receive
- With your SIPP you can access a wide range of investments, such as shares, overseas investments, and warrants and similarly highly geared investments. Some of these will carry a far higher degree of risk than others. Before investing in a complex financial instrument, you'll need to pass an 'appropriateness test' set by the Financial Conduct Authority

Withdrawals from your SIPP

- If you start accessing your pension earlier than you originally intended, the amount you can take may be lower than expected and may not meet your retirement needs
- The pension you receive from your SIPP is not fixed and isn't guaranteed for life. If a guaranteed retirement income is important to you, you should consider buying an annuity. For more about annuities, see 'SIPP – a guide to accessing your pension', on the 'Free guides' section of our website
- If investment returns are poor and you take a high level of income, your SIPP will fall in value. If your SIPP runs out of funds, you could be reliant on other sources of income for the rest of your retirement
- You have to pay income tax on money you take from your SIPP. So if you make significant withdrawals in a short period of time, you may have to pay a large amount of tax
- Taking money from your SIPP will reduce the amount payable to your beneficiaries after your death
- Before you withdraw, keep in mind that cash and investments held in your SIPP benefit from significant tax advantages that don't apply elsewhere
- You may need to pay additional tax charges when you withdraw money from your SIPP, if your pension is valued at more than the lifetime allowance (£1,073,100 for the tax year 2022/23)

Having considered these risks, if you have any doubts about whether an AJ Bell Youinvest SIPP is right for you, you need to seek advice from a suitably qualified professional adviser.

A stakeholder pension may meet your needs at least as well as a SIPP. Widely available, stakeholder pensions have limited investment options, for which the government has set minimum standards to be met by providers covering areas such as charges, minimum payment levels and terms and conditions.

If you're in any doubt whether a SIPP is appropriate for you, you should contact a suitably qualified financial adviser.

Questions and answers

Money in

Can I have a SIPP?

You can have a SIPP with us if you're resident in the UK. Or if you're resident overseas and set up a SIPP for the purposes of transferring from a UK-registered pension scheme.

How can I pay contributions into my SIPP?

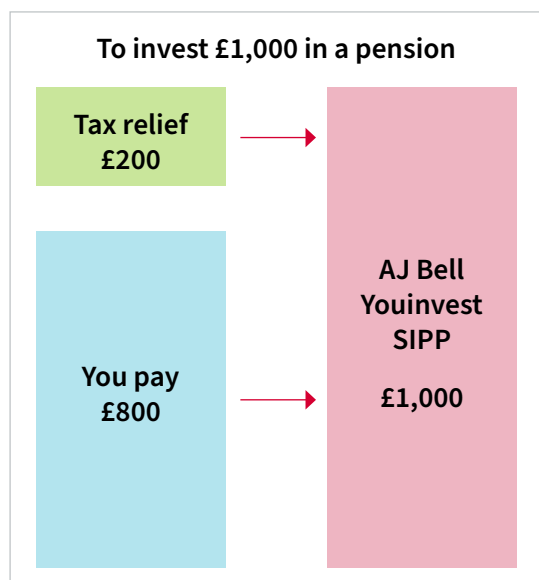
When making single contributions, you can pay by debit card or electronic transfer. If your employer is making a single contribution they can pay by cheque or electronic transfer. Any cheques received for member contributions will be returned by post. Regular contributions must be paid monthly by direct debit. Contributions paid by direct debit will be taken on the first working day of the month.

You can't pay contributions in the form of shares or other investments.

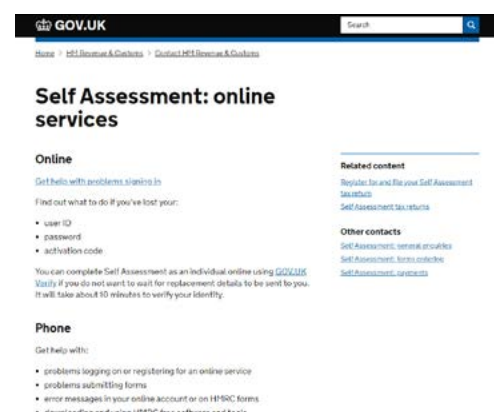
Do I get tax relief on my contributions?

Yes, you do – and it's one of the main financial advantages of saving into a pension. Here's how it works.

- If you're under 75, you receive tax relief on all personal contributions you make, up to a maximum of 100% of your UK relevant earnings, or £3,600 – whichever is higher. The amount you can pay in is also regulated by the annual allowance (see below)
- All personal contributions are payable net of basic rate tax (20% for 2022/23) So for example, if you pay a net contribution of £800, we'll reclaim £200 from HMRC and credit it to your SIPP cash account
- This basic-rate income tax will be credited to your SIPP cash account after 6-11 weeks, depending on when you make the contribution
- Your employer can also make contributions to your SIPP, which don't count towards your tax relief limit but do count towards the annual allowance. These are payable gross and the employer claims tax relief when they contribute to your SIPP



Higher/additional rate tax payers can also claim an extra £200/£250 in tax relief via their Self-Assessment. If you're resident in Scotland different tax bands and rates apply.



We'll only accept contributions up to the limit for tax relief, above. If you're no longer entitled to tax relief on your contributions, you must tell us within 30 days.

Who can pay contributions into my SIPP?

You can pay contributions into your SIPP, and if you're employed, your employer can too. We can't accept contributions paid by any other person on your behalf, including your spouse or other relative.

- The rules are different for a SIPP for a child. Anyone (e.g. a parent, guardian or grandparent) can pay into a child's SIPP, and it will be treated as a personal contribution
- Once your SIPP is set up, you can pay single contributions and/or increase/decrease your regular contributions at any time, subject only to the minimum contribution levels described below
- Once you reach age 75, we can no longer accept any contributions you pay yourself. But if you're still employed, we can accept contributions your employer pays

Is there a limit on the contributions that can be paid to my SIPP?

When paying into your SIPP by Direct Debit, you can make a minimum monthly contribution of £25 (net) and a maximum of £4,000 (net). When making a single (one-off) contribution, the minimum you can pay in is £800 (net). If you transfer a pension to your SIPP, you don't need to make any contributions.

The maximum you can contribute and benefit from tax relief on in any one tax year is restricted by the **annual allowance**, which is a limit set by HMRC to restrict tax relief on large contributions. For 2022/23, the annual allowance is £40,000.

The annual allowance applies:

- To all pension contributions made by you, your employer and any other person on your behalf
- To all pension schemes of which you are a member

If for any tax year, the total of

- the contributions you pay to registered pension schemes, or those on your behalf (including any by an employer); and
- the increase in the value of your lump sum and pension under any final salary schemes

is greater than £40,000, you'll exceed the annual allowance. With a final salary scheme, a factor of £16 per £1 p.a. of pension will be used to value the increase in your lump sum and pension.

If you've used up the annual allowance in the current tax year but didn't use all of your annual allowance in any of the last three tax years, you can **carry it forward** – providing you were a member of a pension scheme during the year you want to carry forward from. If your contributions still exceed the annual allowance, you'll have to pay a tax charge on the excess, meaning you'll pay back the tax relief you have received.

In some circumstances, your annual allowance may be less than £40,000. There are two main reasons this might happen:

1. For the 2022/23 tax year, if you're a high-income individual, your annual allowance will be tapered. This means for every £2 of 'adjusted income' above £240,000, your annual allowance is reduced by £1. The maximum reduction is £36,000, meaning that if you have adjusted income over £312,000, you'll have an annual allowance of £4,000. (Adjusted income means all income plus any employer pension contributions paid in the relevant tax year.) For more information, please read our 'Guide to annual allowance tapering'.
2. Once you've flexibly accessed your pension, an annual allowance of £4,000 will apply to contributions to all 'money purchase' pensions, including your SIPP.

What if I pay a contribution when I'm entitled to enhanced protection or one of the types of fixed protection?

If you've registered with HM Revenue & Customs (HMRC) for enhanced protection (for pension rights built up before 6 April 2006), or one of the types of fixed protection, paying any contribution to your SIPP will result in the loss of this protection. If you lose your protection, you'll need to let HMRC know.

Transfers

Can I transfer my existing pension into my SIPP?

Yes, you can transfer from any UK-registered pension scheme to your SIPP. Here is what you need to think about:

- Transferring out of a private sector final salary (also known as ‘defined benefit’) pension scheme means giving up a guaranteed pension. Before transferring most final salary pensions, you’ll need to take regulated financial advice. To transfer a final salary pension to your SIPP worth £30,000 or more, a suitably qualified financial adviser must first provide a recommendation that the transfer is right for you.
- You’re not allowed to transfer from most public sector pension schemes to your SIPP
- You can transfer your pension in cash, or transfer cash and investments held provided they are investments we allow. If there is a cheaper version of any fund you transfer, we’ll convert it when we receive the fund
- If you’ve started drawdown under a pension scheme, you can still transfer it to your SIPP. If you transfer a capped drawdown scheme, the original maximum income limit and pension year will continue to apply once the transfer is complete, although you have the option to convert to flexi-access drawdown if you want to
- You’ll be responsible for arranging the transfer from the transferring scheme. And it may take some time for us to receive the transfer payment from your existing provider

Can I transfer my SIPP to another pension?

Yes, you can transfer the value of your SIPP to another UK registered pension scheme, or to a qualifying recognised overseas pension scheme (QROPS), at any time. Keep the following in mind:

- You may be able to transfer your investments or you can transfer the value as cash – in which case you’ll have to sell all of the investments held under your SIPP before the transfer is completed
- If you’ve started accessing your pension from your SIPP via income drawdown, you must transfer the whole of the drawdown fund to your new scheme. If you have uncrystallised funds under your SIPP (i.e. funds from which you are yet to access your pension), you can choose to transfer all, or only a part, of those uncrystallised funds to another pension scheme
- If you’re transferring to a QROPS, a test against your lifetime allowance must be carried out before the transfer is made. That means a lifetime allowance charge could apply

If you’re in any doubt about the benefit of transferring, we recommend you take advice from a suitably qualified, financial adviser before starting the transfer.

Investments

What can I invest in?

You can invest in any securities that are quoted on a recognised stock exchange that are settled within CREST. This range includes UK and Irish securities, as well as international securities across 21 markets. For the full list, see the [Investment Options](#) on our website.

Can I make regular investments?

Yes, you can. Our regular investment service allows you to invest monthly in a wide range of investments, including the FTSE 350, selected funds, investment trusts, ETFs and ETCs. This is how it works:

- Once you’ve set a regular investment, we’ll automatically make your deals on the 10th calendar day of each month (or the next working day)
- For us to make your deals, there must be sufficient money in your cash account to pay for them. If there isn’t, we won’t make your deals on that given month, and will try again the following month
- You’re also able to amend your regular investment instructions up until midnight on the 9th calendar day of each month (or midnight on the day before the regular investment dealing day)

Do I pay tax on any dividends or gains within my portfolio?

No, you don't need to pay UK tax on any dividends or capital gains. We don't offer a foreign withholding tax reclaim service, though income from US or Canadian shares will receive income taxed at source at the appropriate beneficial treaty rate.

Can you help me choose investments?

No – we aren't authorised to give advice to help you choose your investments.

If you need some help, you can visit our 'Investment Ideas' page for a range of time-saving investment solutions from our in-house experts.

How do I get a valuation of my SIPP?

You can see how much your SIPP is worth 24 hours a day, 365 days a year via our website. An online cash transaction summary is also available.

Is there anything I can't invest in?

Yes. Your SIPP cannot invest directly in:

- commercial or residential property
- insurance company bonds
- private (unquoted) company shares
- personal chattels (e.g. works of art, cars etc.)
- loans
- any activity that could be regarded as trading.

Also, you can't borrow money under your SIPP.

Money out

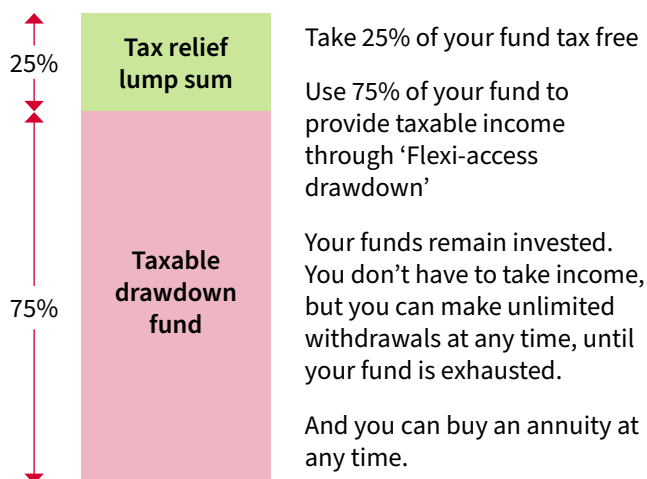
When can I start to access my pension?

You can access your pension at any time from age 55 (57 from 6 April 2028), whether or not you continue to work.

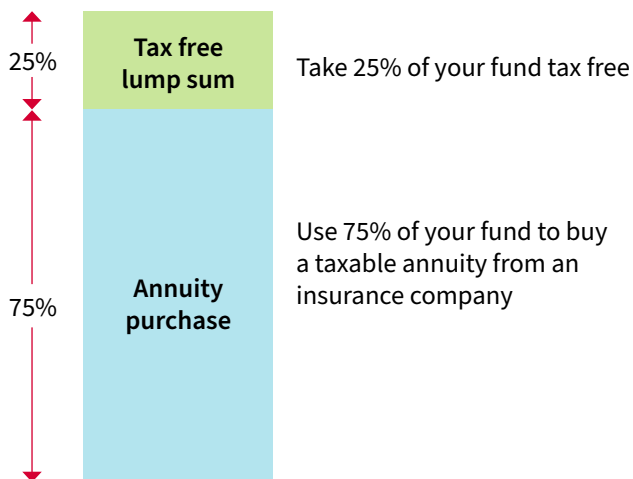
It may be possible to access your SIPP earlier if you're in serious ill health, or if you transferred from an existing pension with a lower pension age (provided the transfer meets certain HMRC requirements). For the charges for accessing your pension, please read our charges and rates, available on our website.

You have three options when accessing your pension:

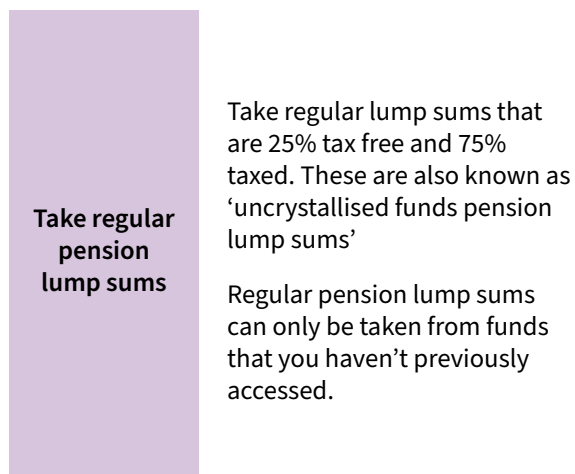
Option 1



Option 2



Option 3



You don't have to take all your pension at once. And it's possible to take more than one option.

For example, say you have £200,000 in your SIPP. You could exercise option 1 for £100,000, giving you a £25,000 tax free lump sum now and £75,000 in flexi-access drawdown to provide you with an income when you need it.

At a later date, you could then choose to exercise option 2 to take a further £25,000 tax free lump sum buying an annuity with the remaining £75,000 to provide you with a guaranteed income.



Pension Wise is a free and impartial guidance service which can help you understand your options. It's available online at www.moneyhelper.org.uk/pensionwise, over the phone from MoneyHelper on 0300 330 1001, and face-to-face from Citizens Advice. This guidance is not a substitute for full financial advice.

As we cannot give you advice, we would recommend that you contact a financial adviser, or the guidance service providers, to discuss matters further when you decide to take your pension.

When accessing your pension, you should also consider the following:

- If you have protected lump sum rights, you may be entitled to a tax free lump sum greater than 25%
- The amount you take is restricted by the lifetime allowance, which for 2022/23 is £1,073,100. Unless you hold lifetime allowance protection, you'll be subject to a tax charge on money you take above this allowance, and your tax free lump sum will be restricted to 25% of the allowance
- If you've used all your lifetime allowance, it isn't possible to take regular pension lump sums
- If you started taking income from your pension before 6 April 2015, you may be in 'capped drawdown'. This works in a similar way to flexi-access drawdown, except the amount of pension you can take is subject to a maximum limit set by HMRC. Capped drawdown isn't available if you accessed your pension after 6 April 2015. You can move from capped to flexi-access drawdown at any time by completing our 'capped to flexi-access drawdown conversion form'
- Before selecting a drawdown pension, you should read the 'Taking income from your SIPP' section of the 'SIPP risks' under 'Risk warnings' on our website

For more information on the options you have when taking income from your SIPP, you can read 'SIPP – a guide to accessing your pension', which you'll find on the 'Free guides' section of our website.

How do I access my pension?

To start the process of accessing your pension, you need to log in to your account online and select 'Access my pension' from the My account menu.

As part of the process, you'll also have to tell us about your available lifetime allowance (where relevant) and any protection you have for your pension.

Can I use Investment Pathways?

We offer four Investment Pathway options each geared to a different broad five-year retirement income objective. Each corresponds to a fund run by AJ Bell Investments, designed to adopt an investment approach that is in line with the Investment Pathway option.

The Investment Pathways are completely optional. If you'd prefer, you can go it alone and pick your own investments, or simply keep your existing investments.

How will I be paid?

We'll only make lump sum and pension payments to your registered bank account. It must be an account held with a UK bank or building society in your name (or in joint names with someone else). We can't make payments to an account in someone else's name, to a non-UK bank account or by cheque. All payments will be made in sterling.

If you choose regular payments, we'll send them on the 10th of each month. When this date falls on a weekend, we'll send the payment on the first working day after this. In all cases, the payments should reach your account within three working days of being sent. Just make sure you have enough cash in your SIPP by the close of business two working days before the 10th of each month or the payment won't be made.

Do I pay tax on pension payments?

All pensions paid to you under drawdown will generally be subject to income tax. We'll deduct the tax due before paying your pension. For regular pension lump sums, 75% of each payment will be subject to income tax.

When receiving a drawdown pension following the death of another person (for example, your spouse), it won't normally be subject to tax if the deceased was younger than 75 when they died, and you didn't receive payments from the drawdown fund before 6 April 2015. If either of these doesn't apply, the payments will be subject to tax.

How does the lifetime allowance work?

The lifetime allowance is the total amount you can build up in all of your pensions without facing tax charges. For 2022/23, it is set at £1,073,100. Here are some more things you need to think about.

- Each time you access your pension (known as 'crystallise'), you use up a portion of your lifetime allowance. When you reach your 75th birthday, any uncrystallised funds will also use up a portion of your lifetime allowance. Any funds you crystallised after 5 April 2006 could use up your lifetime allowance too

- Once you've used up your lifetime allowance, any funds you later crystallise will be subject to the lifetime allowance charge. If these funds are used to provide a taxable pension, the lifetime allowance charge will be 25%. If excess funds are paid as a lump sum, the lifetime allowance charge will be 55%. We'll deduct this tax charge from your fund and pay it to HMRC before paying money to you
- If you built up substantial pension savings before 6 April 2006 and registered for enhanced and/or primary protection ('transitional protection') with HMRC, it may reduce, or eliminate, any lifetime allowance charge that would otherwise be payable
- It was also possible to lock your lifetime allowance at £1.8 million by applying for fixed protection 2012 before 6 April 2012. If you hold fixed protection 2012 and pay any more contributions into registered pension schemes, you'll lose the protection. Additional protection options – fixed protection 2014 and individual protection 2014 – were made available to those who wanted to protect their lifetime allowance at up to £1.5 million before 6 April 2014. Fixed protection 2016 and individual protection 2016 were also made available to protect a lifetime allowance at up to £1.25 million before 6 April 2016
- Paying contributions into registered pension schemes will cause you to lose fixed protection, but won't affect individual protection

Do I have to access my pension?

No. You don't need to take any lump sums or pension payments from your SIPP at any time.

What happens to my pension when I die?

When you die, your SIPP may be paid as a lump sum to a beneficiary, or provide a pension for them – either via income drawdown or buying an annuity. As the Scheme Administrator, AJ Bell Management Limited has discretion over the distribution of payments after your death. You can complete a nomination and expression of wishes form so we take your wishes into account.

- If you die before the age of 75, payments to your beneficiaries (whether a lump sum or pension) will normally be tax free, regardless of whether you've accessed your pension
- If you die aged 75 or older, payments to your beneficiaries will normally be taxed at the recipient's marginal rate of income tax
- Lump sums paid on death are normally free of any inheritance tax, but this isn't guaranteed

Further information

What are your SIPP's charges?

Please see youinvest.co.uk for current details of charges and rates.

What other terms and conditions apply?

Our SIPP terms and conditions, available at youinvest.co.uk, set out the full terms and conditions for your SIPP.

What rules govern your SIPP?

The scheme is governed by a trust deed and rules, which are amended from time to time.

If there is any discrepancy between the key features and the trust deed and rules, the trust deed and rules will prevail.

You can download a PDF copy of our 'Scheme Rules' from youinvest.co.uk.

How secure is my money?

We are part of AJ Bell, one of the largest providers of low cost, online investment platforms and stockbroker services in the UK, with assets under administration of £74.1 billion and 418,000 customers.

AJ Bell Management Limited is authorised and regulated by the Financial Conduct Authority.

What if I change my mind?

You can cancel your SIPP if you change your mind, as long as you do it within 30 days of the date you receive our email confirming the establishment of your SIPP. You can transfer out to another provider at any time.

You're also able to cancel transfer payments, and your decision to access your pension. You have 30 days from the date that you receive our email acknowledging the transfer, or your intention to access your pension, to exercise your right to cancel.

You can exercise your right to cancel by writing to us at:

AJ Bell Youinvest
4 Exchange Quay
Salford Quays
Manchester
M5 3EE

Fax: 0345 54 32 601

Email: enquiry@youinvest.co.uk

- You'll need to quote your name and SIPP account number, and you must state whether you want to cancel your SIPP, cancel a specific transfer, or cancel your first request to access your pension
- Keep in mind that if you make an investment during the 30-day cancellation period, you'll lose your cancellation rights. Losing your cancellation rights means you can't cancel your SIPP, contributions, or transfers.

You can find extra information about your cancellation rights in our SIPP Terms and Conditions, which are available at youinvest.co.uk

Are there any compensation arrangements covering my SIPP?

Yes. The Financial Services Compensation Scheme (FSCS) has been set up to deal with compensation, if firms are unable to meet claims made against them.

For bank deposits, the maximum claim that could be made by your SIPP is £85,000, and £85,000 for investments (if an investment firm goes out of business and can't return investments or money).

Further information about the compensation arrangements is available from the Financial Services Compensation Scheme at fscs.org.uk.

Can you give me advice?

No – we aren't authorised to provide any advice on tax or financial services related matters. If you need any advice, you must contact a suitably qualified financial adviser. Your adviser will give you details about the cost of advice.

What if I have any further questions?

You can email us at enquiry@youinvest.co.uk, phone us on 0345 54 32 600, or write to us at:

AJ Bell Youinvest
4 Exchange Quay
Salford Quays
Manchester
M5 3EE

What if I have a complaint?

Customer satisfaction is very important to us. If you do have any cause to complain about the services provided, clear procedures are laid down by the Financial Conduct Authority to ensure that your complaint is dealt with fairly.

If you have a complaint, please contact us at:

AJ Bell Youinvest
4 Exchange Quay
Salford Quays
Manchester
M5 3EE

Tel: 0345 54 32 600

Email: enquiry@youinvest.co.uk

If your complaint is about the administration of your SIPP, and you're not satisfied with our response, you may refer your complaint to the Pensions Ombudsman.

Help is also available from MoneyHelper, who can advise you on how to complain and may be able to sort the matter out without the need for the Ombudsman to get involved. The contact details for both the Pensions Ombudsman and MoneyHelper are as follows:

The Pensions Ombudsman
10 South Colonnade
Canary Wharf
E14 4PU

Tel: 020 7630 2200

MoneyHelper,
120 Holborn
London
EC1N 2TD

Tel: 0300 123 1047

All other complaints may be referred free of charge to:

Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Tel: 0300 123 9123

Website: financial-ombudsman.org.uk

Making a complaint will not affect your right to take legal proceedings.

Important notes

The information contained in this key features document is provided based on our understanding of current law, practice and taxation which may be subject to change.

Full details of the legally binding contract between you and AJ Bell Management Limited are included in our SIPP 'Terms and Conditions' – available from youinvest.co.uk.

The law of England and Wales will apply in all legal disputes.

If you would like a copy of this or any other item of our literature in large print, Braille or in audio format, please contact us on 0345 54 32 600 or by email: enquiry@youinvest.co.uk.

All of our literature and future communication to you will be in English.