

# Annuity Open Market Option Request



JHAY0820

## Application guide

This form is to be used when you wish to exercise the Open Market Option to purchase a lifetime annuity. James Hay Partnership will pay any pension commencement lump sum (PCLS) and then forward the remaining balance of your pension fund to the annuity provider you have selected.

If, however, you wish the annuity provider to pay the pension commencement lump sum, this will be treated as a transfer of funds, and you should instead read the 'Transferring Away from James Hay Partnership' guide and complete the 'Transfer Discharge Form' attached to it.

**PLEASE NOTE: For a description of the different SIPP benefit options available to you, please refer to our fact sheet called 'Accessing Your Pension with James Hay Partnership'. We strongly suggest that you read this fact sheet before proceeding.**

**These guides and forms are available on our website at [www.jameshay.co.uk](http://www.jameshay.co.uk), or from the contact details at the end of this section.**

If you have more than one SIPP, you should complete a separate form for each SIPP that you wish to use to purchase an annuity.

**Please complete this form in BLOCK CAPITALS and black ink and return it to: James Hay Partnership, Dunn's House, St Paul's Road, Salisbury, SP2 7BF. If you need any help with completing this form, please call your Service Executive Team or our general enquiry number on 03455 212 414.**

## Pension Wise

### Accessing the Government's free and impartial guidance service



The Government has removed the restrictions on what you can do with your pension savings. This means that you are able to choose the option that's right for you.

Pension Wise is a Government service that offers people who are invested in defined contribution pension schemes and are approaching retirement free, impartial guidance about their choices. You can receive Pension Wise guidance online, over the phone or face to face.

Pension Wise provides tailored guidance to explain what options you have and help you think about how to make best use of your pension savings. It offers information about the tax implications of different options and other important things you should think about, as well as tips on how to get the best deal, including how to shop around.

Choosing what to do with your pension savings is an important financial decision and it is often possible to get more for your money by shopping around.

To use Pension Wise, please visit the Pension Wise website at [www.pensionwise.gov.uk](http://www.pensionwise.gov.uk) or call either 0800 138 3944 or 0300 330 1003 (from outside the UK +44 20 3733 3495), if you wish to use this service.

## 1 Important information and risks you must consider before proceeding

Applicant to complete

Our regulator, the Financial Conduct Authority, requires us to ask you questions regarding matters you should have considered before deciding to buy an annuity.

Depending on your answers, we will write to you either:

- (1) with tailored risk warnings, giving you 14 days to consider them before proceeding with processing your instructions, **or**
- (2) to confirm that, given your answers, we will not be issuing any risk warnings, as you appear to have considered the relevant risks, and so we will proceed with processing your instructions.

**If you have received advice from a regulated financial adviser and are following this advice and your financial adviser is submitting your instructions by way of confirmation of this, then you do not need to answer the questions in Section 1, as any risks should already have been explained to you as part of that advice. Otherwise, you must answer all of the following questions.**

1. You should consider your state of health and lifestyle (e.g. whether you are a smoker or not) before proceeding with an annuity purchase, as this can affect the level of income you receive. For example, if you are in poor health you could be entitled to a higher level of income. Have you considered your health and lifestyle when deciding what type of annuity to purchase, and the level of income you could receive?
 

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Not sure	<input type="checkbox"/>
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2. If you have a spouse, civil partner or dependants, have you considered a joint life annuity to provide for them after your death?
 

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Not sure	<input type="checkbox"/>
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3. Over time, the effect of inflation means you can purchase less in the future than you can today with the same amount of money. Have you considered the effect of inflation on the income you will receive from an annuity?
 

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Not sure	<input type="checkbox"/>
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4. Annuity providers will not all give you the same level of income. Have you looked at what level of income you could get from different annuity providers, before choosing where to buy your annuity from?
 

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Not sure	<input type="checkbox"/>
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## 1 Important information and risks you must consider before proceeding (cont.)

Applicant to complete

5. Have you considered ways of taking money out of your pension other than an annuity e.g. income drawdown? Yes  No  Not sure   
If you are not sure what other options are available to you, you can find more information in the 'Your pension: your choices' leaflet available from [www.jameshay.co.uk](http://www.jameshay.co.uk).
6. Do you have income from other sources (i.e. outside of the income from an annuity) that is sufficient to currently provide you with your desired standard of living? Yes  No  Not sure
7. Will your annuity income be your sole or main source of income in retirement? Yes  No  Not sure
8. Are you aware that your annuity income will be paid after deduction of income tax, and may affect your personal tax allowance (the amount you can receive each year before paying income tax)? Yes  No  Not sure
9. Are you aware that if you put the money you take out of your pension in a bank, or buy other investments with it, you may have to pay tax on any growth? Yes  No  Not sure
10. Are you aware that once money has been taken out of your pension it becomes part of your estate for inheritance tax purposes? Yes  No  Not sure
11. Do you receive any means tested benefits from the Government? Yes  No  Not sure
12. Do you know that if you owe money to a creditor (e.g. via a personal loan) they cannot force you to take money out of your pension to pay off any money you owe to them? Yes  No  Not sure
13. Fraudsters increasingly target people to move their pension fund, and target them once they have taken money out of their pension. You need to be careful when deciding where to invest your pension fund and any money taken from it, as you could lose some or all of your money if you are the victim of a scam. You should read the 'Scam proof your savings' document from [www.jameshay.co.uk](http://www.jameshay.co.uk), or seek more information from [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart) before making any investment decisions. Are you aware that pension and investment scams exist, and what to look out for? Yes  No  Not sure
14. Are you aware that once your application has been accepted by an annuity provider, you may not be able to change your mind in the future about the income you receive, or move your annuity to another provider? Yes  No  Not sure

## 2 Availability of Pension Wise and financial advice

Applicant to complete

- i. Has James Hay Partnership provided you with clear and adequate information about the free Pension Wise service and how you can access this service? Yes  No
- ii. Has James Hay Partnership provided you with clear and adequate information on how to find a financial adviser if you so wish? Yes  No
- iii. Have you taken advice from a regulated financial adviser in relation to taking money from your pension fund? Yes  No
- iv. Have you received guidance from Pension Wise in relation to taking money from your pension fund? Yes  No

If you have answered **No** to questions iii and iv, we strongly suggest that before proceeding you seek appropriate advice from a regulated financial adviser and/or guidance from Pension Wise to understand your options.

## 3 Money Advice Service guide

Applicant to complete

The Money Advice Service provides a free guide called 'Your pension: your choices'. We strongly suggest that you read this before proceeding with taking money out of your SIPP. If you have not received a copy of this guide within the last 12 months, you can obtain one from our website at [www.jameshay.co.uk](http://www.jameshay.co.uk).

Have you received or downloaded the Money Advice Service brochure called 'Your pension: your choices' within the last 12 months? Yes  No

If you have ticked **No**, we will send you a copy of the guide before we proceed with processing your request to take money out of your SIPP.

**IMPORTANT:** Making decisions about your pension based on short term events, such as the Covid-19 pandemic, can have long term consequences for your financial wellbeing and retirement.

There are additional risks related to accessing your pension at this time. Below is a summary of some of the things you need to consider before accessing your pension savings.

Please read the information below, and confirm in Section 12 that you have considered and accept the additional risks.

<p><b>Are you accessing your pension to prevent further investment losses from market volatility due to Covid-19?</b></p>	<p>You will receive only the current value of your pension investments (which might have fallen recently), and this may be subject to further taxes, charges or deductions. Locking in this loss now means you might miss out on any future increases in value if markets recover, and could reduce how much money is available to generate the income you may need in later life.</p> <p>Before making any major decisions about your pension, you should take the time to get independent guidance or financial advice.</p>
<p><b>Did you know that you may be entitled to employment guidance and financial support, available from the government, if you are experiencing financial distress due to the impact of Covid-19?</b></p>	<p>The support available in these circumstances covers guidance on your rights to sick pay, and what benefits you can claim if you are self-employed or not entitled to sick pay. You can find this information on the <a href="#">Money Advice Service website</a>. There is also a <a href="#">Debt Advice locator</a> tool to help you find where you can go for appropriate debt advice.</p>
<p><b>Do you have access to other savings or income sources that you could access instead to avoid incurring any tax liabilities?</b></p>	<p>If you have other sources of finance, depending on what these are, there may be fewer long-term risks if you access those first.</p>
<p><b>Do you plan to make contributions to your SIPP, or any other pension, in the future?</b></p>	<p>If you flexibly access your pension now (as an Uncrystallised Funds Pension Lump Sum or through Flexi-access Drawdown), but you intend to save more into a pension in future, then you will continue to receive tax relief on contributions paid in up to age 75, but this will be capped to a maximum of £4,000 per year (known as the Money Purchase Annual Allowance).</p>
<p><b>Do you intend to access more than 25% of your pension pot?</b></p>	<p>You can normally take up to 25% of your pension pot tax-free. Depending on how you withdraw funds from your pension, the rest will normally be subject to income tax, and withdrawing large sums could move you to a higher income tax band.</p> <p>Taking the whole pot as cash will also result in a large tax bill, so you should always seek independent tax advice before taking any action.</p>
<p><b>Are you withdrawing money with the intention of investing in something that is being promoted as a special offer, pressuring you to act quickly, or is offering unusually high rates of return?</b></p>	<p>In times of crisis, pensions can become a target for illegal activities, scams or inappropriate investments. Scams take many forms and often appear to be legitimate investment opportunities.</p> <p>Regulators recommend four simple steps customers can take to protect themselves from pension scams:</p> <ol style="list-style-type: none"> <li>1. Reject all unexpected pension offers, whether made online, through social media or over the phone.</li> <li>2. Check who you are dealing with before changing your pension arrangements. You can check the <a href="#">FCA Register</a> or call the FCA helpline on <b>0800 111 6768</b> to see if the provider you are dealing with is authorised by the FCA.</li> <li>3. Don't be rushed or pressured into making any decisions about your pension.</li> <li>4. Consider getting impartial information and financial advice before taking any action.</li> </ol>

**4 Personal details**

Applicant to complete

**IMPORTANT:** If you do not fully complete each section of this form, it may delay the application process.

Title

Forename(s)

Surname

Date of birth

Member number

Permanent residential address

Postcode

Telephone

Email

National Insurance number

**5 Annuity provider details**

Applicant to complete

Please provide details of the annuity provider:

Provider name

Annuity reference

Address

Postcode

**PLEASE NOTE:** The annuity provider must be an Insurance Company as defined in s275 of Finance Act 2004.**6 Uncrystallised funds (i.e. benefits not in payment)**

Applicant to complete

You are not required to take all of your pension fund by annuity purchase. Please advise how much of your pension fund you wish to use:

All  **OR** Please specify  £**Pension commencement lump sum**

Please confirm the amount of pension commencement lump sum to be paid to you by James Hay Partnership before the annuity is purchased.

Amount of pension commencement lump sum payable (please complete only one option below):

Maximum available 

Specific amount

 £

If you are receiving a pension commencement lump sum, please provide the bank account details you would like your lump sum payment paid to.

You will need to check with your bank/building society that Faster Payment and CHAPS payments can be accepted into this account and that these details are all they need for this.

Please ensure that the payment method that you have requested is allowable for the type of SIPP you have. There may be a charge if paying by CHAPS (please refer to your SIPP's product terms and conditions or contact us for details).

Account holder's name

Sort code    Account number

Building society reference number (if applicable)

Bank name and address

Postcode

## 7 Crystallised funds (i.e. benefits in payment)

If you are in capped drawdown and are not using all of your crystallised funds then the maximum income will be recalculated immediately after annuity purchase and the revised maximum income will apply from the next anniversary.

If crystallised funds are being used, how much would you like to use?

Please tick one box:

Full crystallised fund (Go to Section 8)

Specified amount <sup>1</sup>

Please specify the value in the following table or tick if the full value is to be used.

Tranche number	Value	Full
<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="checkbox"/>

Please continue on a separate sheet if you have more than six tranches.

<sup>1</sup> Upon receipt of this form, we will value your SIPP and calculate the fund to purchase the annuity. If the exact amount requested cannot be achieved, we will round up to the higher fund value.

## 8 Protection

Please complete this section if you are:

- Using uncrystallised funds to purchase an annuity, and/or
- Using funds which were crystallised on, or after, 6 April 2006.

If you have applied to HM Revenue & Customs for any of the following types of protection, please tick the relevant box and provide details:

Enhanced Protection

Primary Protection

Fixed Protection 2012

Fixed Protection 2014

Fixed Protection 2016

Individual Protection 2014

Individual Protection 2016

Pension Credit Rights

International

Please enclose a copy of the relevant HM Revenue & Customs certificate(s) when submitting this completed form to us.

Protection reference number

Scheme administrator reference



**PLEASE NOTE: If you have received a temporary reference number from HM Revenue & Customs for either Fixed Protection 2016 or Individual Protection 2016, this was only valid until 31 July 2016 and you will need to make a full online application to HM Revenue & Customs to obtain a permanent reference number, and provide this to us to ensure your protection remains valid.**

**9 Lifetime allowance**

Applicant to complete

Is this the first time you have elected to take benefits from any pension fund since 6 April 2006?

Yes  No

If **Yes**, please go to 9a. If **No**, please go to 9b.

**9a Pre 6 April 2006 benefits**

Applicant to complete

On 5 April 2006 were you taking any pension income (for example income withdrawal/scheme pension/annuity)?

Yes  No

If **Yes**, please provide details. If **No**, please go to Section 10.

For Defined Benefit Schemes that came into payment prior to 6 April 2006, please provide the current maximum pension payable:

£  p.a.

Excluding the above, please state the maximum **total** gross pension currently payable from all other pension funds:

£  p.a.

**PLEASE NOTE: This should be the maximum income available from all your pensions currently in drawdown with all providers and not just the income you are receiving (if different). If you have converted any of these pensions to flexi-access drawdown, you should include the maximum income available immediately before conversion.**

**Please go to Section 10.**

**9b Post 6 April 2006 benefits**

Applicant to complete

If you have elected to take benefits since 6 April 2006, please provide the total percentage of lifetime allowance used to date: <sup>2</sup>

%

<sup>2</sup> If you were taking income benefits prior to 6 April 2006, we will assume that the percentage of deemed lifetime allowance used in respect of these is included in this percentage.

If you have primary protection with lump sum rights over £375,000 on 5 April 2006, please provide the following details for each post 6 April 2006 benefit crystallisation event:

Date of benefit crystallisation event	Amount of pension commencement lump sum paid
	£ <input type="text"/>
	£ <input type="text"/>
	£ <input type="text"/>

**10 Insufficient lifetime allowance**

Applicant to complete

If you have insufficient lifetime allowance available to cover your current benefit crystallisation event, please choose how you would like your benefits in excess of your lifetime allowance to be paid in respect of your uncrystallised fund.

If the purchase price is coming from uncrystallised funds, please answer the following:

Do you want the purchase price that is in excess of the available lifetime allowance:

(a) paid as a lump sum less 55% tax

Yes  No

(b) paid as an annuity after 25% tax is taken from that part of the purchase price

Yes  No

(c) combination of lump sum and annuity, as per the table below

Percentage of excess to be paid as a lump sum (55% tax deduction)	<input type="text"/> %
Percentage of excess to buy an annuity (25% tax deduction)	<input type="text"/> %
<b>Total</b>	100 %

If you have requested a partial annuity, please confirm which SIPP funds should be used to pay your lump sum(s):

Only money in my SIPP bank account

Specified amount of money in my SIPP bank account

Please specify amount: £

Investments listed in the table below <sup>3</sup>

Name of investment provider	Fund name	Policy/Plan number	Amount in £ sterling or %

<sup>3</sup> We will only instruct the sale of the investments listed once the annuity calculations are complete, unless you provide us with alternative written instructions.

If you are co-trustee of your SIPP, you may need to sign further forms to instruct any disinvestments.

## 12 Member declaration

Applicant to complete

I request and consent to the payment of benefits set out in this application form. I accept and agree that:

- the payment I have requested discharges James Hay Partnership's liability in respect of the pension money applied in this Open Market Option request
- the payment will be made as an Open Market Option and that once paid, it cannot be returned to James Hay Partnership
- if in Section 6 I have chosen to take a specific amount of pension commencement lump sum, or chosen not to take any pension commencement lump sum, I am waiving my right to take any further pension commencement lump sum payments from the funds being transferred to the annuity provider in the future, and I fully accept the implications of this
- James Hay Partnership cannot accept responsibility for any charge or penalty in respect of disinvestments from a third party for pension commencement lump sum or annuity payments
- James Hay Partnership will not be held responsible for the loss of guaranteed annuity rates following third party delays, if the appropriate forms are not completed in full or if all the relevant information is not provided to James Hay Partnership in sufficient time to process the annuity
- if appropriate James Hay Partnership has my authority to check with HM Revenue & Customs the details of any certificate which I supply.

I accept it is an offence to make false statements and that the penalties are severe and could lead to prosecution.

I confirm that I have read the Covid-19 additional risks and considerations in Section 3a.

Member signature

Date

**PLEASE NOTE: We must receive this form with an original signature from the member before any payments can be made.**

### Checklist of additional documentation required

If not already supplied, please enclose the following with this form for points 1 and 2 or the full details for point 3:

If you have a financial adviser, they can verify your identity by completing a 'Confirmation of Verification of Identity' form. If you do not have a financial adviser, you will need to supply us with appropriate documentation from the list below.

Please send photocopies of the documentation to us at James Hay Partnership, Dunn's House, St Paul's Road, Salisbury, SP2 7BF.

If you require any assistance, please call your Service Executive Team or our general enquiry number on 03455 212 414.

#### 1. EVIDENCE OF YOUR IDENTITY

Black and white photocopies of two documents - one from list A and one from list B. Items from the same source cannot be used twice.

##### List A

- Unexpired passport
- Unexpired UK old style driving licence (not provisional)
- Unexpired UK Photocard driving licence
- Firearms certificate or shotgun licence
- EEA or Switzerland National Identity Card
- Northern Ireland voters card.

##### List B

- Unexpired UK old style driving licence (not provisional)
- Unexpired UK Photocard driving licence
- Council tax bill dated within the last 12 months
- Firearms certificate or shotgun licence
- Credit card or bank statement dated within the last three months (not internet printed)
- Utility bill dated within the last three months (not mobile phone, satellite/cable TV or internet printed bills)
- HM Revenue & Customs coding/assessment/statement/tax credit
- Northern Ireland voters card.

