

## Modular iSIPP for Portfolio Wealth Management Charges Schedule

Charges applicable from 1 February 2021

This Charges Schedule sets out James Hay Partnership's charges for administering your Modular iSIPP for Portfolio Wealth Management, referred to in this Charges Schedule as Modular iSIPP. This is a legally binding document between you and James Hay Partnership, as Section 1 forms part of your SIPP Terms and Conditions, along with the Modular iSIPP Permitted Investments List and your application form. There is a glossary at the end of this document to explain some of the terms used. For further information, please visit our website at [www.jameshay.co.uk](http://www.jameshay.co.uk) or call us on 03455 212 414.

The final column in each table shows when the charge will be applied:

Annually in advance - **A**  
After completion - **C**  
Monthly - **M**

### Section 1 - Core charges

Core annual charge	Amount (£)	
Annual administration charge	211	<b>A</b>
<p>The annual administration charge will be waived if a minimum of £195,000 is held in the following investments in your Modular iPlan at the time of our annual review:</p> <ul style="list-style-type: none"> <li>• Cash Panel deposit accounts, and</li> <li>• Investment Centre funds (including funds held in the Managed Portfolio Panel), and</li> <li>• Cash held in your product bank account(s), including property cash accounts, if applicable.</li> </ul>		

Contributions and transfers in	Amount (£)	
Single cash contribution	50	<b>C</b>
Regular contributions by direct debit (set up) (amendment)	50 25	
Cash or in-specie transfer in (per transfer)	50 (max 200 p.a.)	

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Benefits (withdrawals)	Amount (£)	
Annual income drawdown charge (once benefits have started, even if no income is taken)	132 + VAT	A
Income drawdown set up charge - per pension commencement lump sum (PCLS) payment (also applicable on receipt of a transfer in drawdown, even if no further PCLS is payable)	100 + VAT	C
Review of income limits on capped drawdown	150 + VAT	
Uncrystallised funds pension lump sum (UFPLS) payment	100 + VAT	
Arranging annuity purchase	150	
<p>If you fully close your Modular iSIPP by taking a PCLS payment followed by an income drawdown payment, an annual income drawdown charge will still be payable prior to closure.</p> <p>All benefit charges (except for UFPLS) are subject to a maximum of £350 + VAT per annum, based on the anniversary of when you first start to take benefits from your Modular iSIPP.</p>		

Transfers out and closure	Amount (£)	
Arranging transfer out (to a UK based pension scheme) (to an overseas based pension scheme)	150 400	C
Administration charge - on any cash payments received after your Modular iSIPP is closed (for example, dividends). Any balance will be forwarded to you on completion of the transaction.	Equal to the value received (Maximum of £50 per payment)	
Account closure charge (please see Section 3 for further information)	100	

## Investments charges (not applicable to investments held via Hubwise)

Investments	Amount (£)	
Platform charge: First £500,000 Next £500,000 Over £1,000,000	0.18% p.a. 0.15% p.a. 0.05% p.a.	M
Investment Centre transactions - buy, sell or switch (per instruction)	Online: Nil Paper: 20	C
External investments - buy, sell or switch (per investment provider) (including setting up a regular investment/disinvestment)	Online: 20 Paper: 50	
<p>The platform charge applies to all products in your Modular iPlan, and is deducted proportionately from your product bank account(s). This charge is calculated at the beginning of each month and is based on a percentage of the value of Cash Panel deposit accounts and Investment Centre funds (including funds held in the Managed Portfolio Panel).</p>		

Specialist Investments (top ups and sales only)	Amount (£)	
Specialist Investments Module charge (payable if the following investment options are used)	378 + VAT	A
Any specialist investment, such as Non Mainstream Pooled Investments (NMPIs - including Qualified Investor Schemes) and unquoted shares (per trade)	100	C
Lending to unconnected third party (per event)	100	

 Please note that we no longer accept new purchases of Specialist Investments. However, we may allow additional investments into existing holdings (known as top ups). Please see the Specialist Investments Guide on our website for further information.

Commercial Property	Amount (£)	
Commercial Property Module charge (payable if a commercial property is held)	108 + VAT	A
UK purchase or transfer in	600 + VAT	C
Purchase charge per additional member	100 + VAT	
VAT initial registration	120 + VAT	
Mortgage arrangement charge	250 + VAT	
Purchase or sale cancellation fee	300 + VAT	
Sale or transfer out	450 + VAT	
Buy-out (with documentation changes) (without documentation changes)	600 + VAT 450 + VAT	
Annual property charge using CBRE (first lettable unit/lease in each property) (each additional lettable unit/lease in each property)	1,027 + VAT 594 + VAT	A
Annual VAT charge	108 + VAT	
Annual mortgage charge	162 + VAT	
Additional member annual charge (for each additional member)	108 + VAT	
Pre-funding expenses charge	50 + VAT	
Property development charge (capped at £2,000 + VAT per development)	0.5% of cost of works + VAT	C

## Important notes

### Additional work

The above charges indicate the standard work involved in administering your Modular iSIPP. However, we may charge on a time/cost basis if we need to perform additional administration in exceptional circumstances. We will charge a minimum hourly rate of £150 + VAT, relevant to staff seniority and expertise.

### Annual charge increases

We automatically apply increases to annual charges on 6 April each year in line with the rise in the Average Weekly Earnings (AWE) Index (or any equivalent index in the event that the AWE Index ceases to exist).

### Regulatory/industry levies

If any levy or taxation is imposed on us or your Modular iSIPP, under the Financial Services Compensation Scheme or any other regulation affecting our business, we may recover an amount equal to the proportion of the levy/taxation from your Modular iSIPP. We will give you 30 days' notice if this occurs.

### Ceasing to use Portfolio Wealth Management

In the event that you stop using the services of Portfolio Wealth Management, you will move onto our standard Modular iSIPP charges. For further details of these charges, please refer to the Modular iSIPP Charges Schedule on our website.

## Section 2 - Examples

Below is an example of the typical charges that would apply to the Modular iSIPP, where a customer:

- Opens a Modular iSIPP and transfers in £300,000 in cash from another pension provider
- Invests £300,000 in a portfolio of investments using Hubwise as their investment manager

Set up charges	(£)
Cash transfer in	50
<b>Total</b>	<b>50</b>

Ongoing charges (per annum, including first year)	(£)
Annual administration charge	211
<b>Total</b>	<b>211</b>

For illustrative purposes only

Below is an example of the typical charges that would apply to the Modular iSIPP, where a customer:

- Has a Modular iSIPP with a value of £200,000 invested with Hubwise, their investment manager
- Requests benefits of £40,000 via flexi-access drawdown (for £10,000 PCLS and a regular income)
- Sets up a regular disinvestment to fund the income payments

Set up charges	(£)
Income drawdown set up charge	100 + VAT
<b>Total</b>	<b>100 (excl. VAT)</b>

Ongoing charges (per annum, including first year)	(£)
Annual administration charge	211
Annual income drawdown charge	132 + VAT
<b>Total</b>	<b>343 (excl. VAT)</b>

For illustrative purposes only

## Section 3 - Questions and answers

### How do these charges get paid?

We automatically deduct charges from your SIPP bank account, and do not send invoices when charges are due.

If there is insufficient cash available when charges become due, at our discretion, we may sell investments within your Modular iSIPP to pay charges.

It is therefore important that you, or your financial adviser, regularly monitor the balance of your SIPP bank account to ensure there is sufficient cash available to pay any charges that are due.

### What is the account closure charge?

The account closure charge covers the costs of closing your Modular iSIPP if it is not closed through purchasing an annuity or transferring out. It is taken when benefit payments first reduce the value of your Modular iSIPP below £1,000. Although the charge is taken at this point, we will not actively close your Modular iSIPP except in certain circumstances.

If this charge is applied, it may make sense for you to ask us to close your Modular iSIPP and pay you any balance remaining, once outstanding fees have been covered, as the costs of administering your Modular iSIPP would rapidly act to erode the value of your remaining investments.

### Are there any other charges that I need to consider?

Depending on your investment choices, you may incur charges from investment managers, stockbrokers and fund managers, including where a model portfolio is held. If you invest in commercial property, you may incur solicitor or property manager fees. Your financial adviser may also take a charge for their services, which they will agree with you. Value Added Tax (VAT) may be applicable to these charges.

Third parties may take their charges from cash they hold on your behalf, if applicable, or they may be paid from your SIPP bank account.

### Can I use my SIPP bank account as an investment?

Your SIPP bank account is not a suitable investment vehicle, as it is primarily designed for holding cash over short periods whilst your investments are being made, or your benefits or charges are being paid.

If you wish to invest cash in a deposit account, our Cash Panel offers fixed rate deposit accounts over a variety of periods. Please see our website for further information.

### How do you charge for additional modules?

The full module charge will be applied at the outset if the relevant investments are selected on the application form or if, during the first year, we identify investments being held in the product that would trigger the module charge. Thereafter, we will carry out a check shortly before each product anniversary and a module charge will be applied, as necessary.

### What rate of interest is paid on my SIPP bank account?

The rate of interest we pay will change from time to time. The current interest rate you are receiving can be found on our website. Banks pay us extra interest due to the total amount we hold with them. We retain this extra interest as it helps us to keep down the other charges on your Modular iSIPP.

You can find more information on the Modular iSIPP by visiting the literature pages and Frequently Asked Questions section on our website at [www.jameshay.co.uk](http://www.jameshay.co.uk), or by contacting us on 03455 212 414.

## Glossary

<b>Capped drawdown</b>	A form of income drawdown with a maximum annual income limit applied. This type of drawdown is only available to those currently in capped drawdown.
<b>Crystallisation</b>	The act of starting to take benefits (tax free lump sum and/or income) from your Modular iSIPP.
<b>Flexi-access drawdown</b>	A form of income drawdown where there is no limit on the amount of income you can take each year.
<b>Income drawdown</b>	Single or regular payments of taxable income taken from your Modular iSIPP through capped or flexi-access drawdown.
<b>In-specie transfer</b>	The transfer of an asset other than cash (e.g. shares) from another pension scheme to your Modular iSIPP without the need to sell it first.
<b>Investment Centre</b>	Our in-house platform that gives you access to a range of 3,700 collective investment schemes from leading fund managers, provided on discounted terms.
<b>Investment manager</b>	You can instruct us to open an account with a UK based and FCA authorised investment manager. The investment manager can buy and sell investments, including those traded on a stock exchange, and they will hold those investments for your Modular iSIPP in their custody. They can be appointed on an execution-only, advisory or discretionary basis. Please see our website for further information.
<b>Managed Portfolio Panel</b>	A panel of investment managers with defined collections of Investment Centre funds that are designed to achieve a predetermined investment strategy, and reflect a certain risk profile.
<b>Online</b>	Trade instructions are considered to be 'online' where they are placed via your James Hay Online account for Investment Centre trading, or are sent attached to a secure message from your James Hay Online account for non-Investment Centre trading.
<b>Pension Commencement Lump Sum (PCLS)</b>	A tax free lump sum paid on commencement of income drawdown. The PCLS is usually up to 25% of the value being crystallised.
<b>Stockbroker</b>	You can instruct us to open an account with a UK based and FCA authorised stockbroker. You can then instruct them to buy and sell investments that are traded on a stock exchange, and they will hold those investments for your Modular iSIPP in their custody. The Modular iSIPP offers access to Selftrade or Stocktrade services, or you may be able to appoint a different stockbroker. Please see our website for further information.
<b>Uncrystallised Funds Pension Lump Sum (UFPLS)</b>	A lump sum made of a tax-free element (25%) and a taxable element (75%) that you can take from your uncrystallised pension funds.

We are able to provide literature in alternative formats. For a Braille, large print, audio or E-text version of this document call us on 03455 212 414 (or via the Typetalk service on 18001 03455 212 414).

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