



Key Features of the Modular iSIPP

Important information you need to read
and understand before you invest

The Financial Conduct Authority is a financial services regulator. It requires us, James Hay Partnership, to give you this important information to help you to decide whether our Modular iSIPP is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.



What you should know before you invest

What is the purpose of this document?

This document gives you a summary of information to help you decide if you want to invest in the Modular iSIPP.

In this document we have given you the answers to some very important questions about the Modular iSIPP. These are set out on pages 3 to 8 and will help you decide whether the Modular iSIPP is right for you.

What is the Modular iSIPP?

The Modular iSIPP is a type of registered pension scheme known as a Self Invested Personal Pension. It is a long-term, tax efficient savings plan designed to help you invest for your retirement. It offers a wide choice of investments and a variety of options for taking retirement benefits.

The 'Core iSIPP' gives you access to Panels of fixed term deposits, Stockbrokers and Investment Managers and a range of investments via the James Hay Investment Centre. The Investment

Centre is our in house fund platform that allows you to invest in a variety of collective investment schemes. However, if your investment needs are more sophisticated and you wish to have a wider choice of investments to select from, for example funds not available via the Investment Centre, Investment Managers and Stockbrokers not on our panel or commercial property, these options can be added to your Modular iSIPP at an extra cost. This means that you only pay for the investment options that you intend to use.

Is the Modular iSIPP a Stakeholder Pension?

No. The Modular iSIPP is not a Stakeholder Pension. Stakeholder Pensions are low cost pension plans with limited investment options. The Government sets minimum standards, for example, in relation to costs and contribution levels, which Stakeholder Pensions are required to meet. A Stakeholder Pension may meet your needs at least as well as the Modular iSIPP.

Key Features of the Modular iSIPP

Its Aims

- The aim of a pension product is to build up a pension fund in a tax efficient way for your retirement.
- The aim of the Modular iSIPP is to provide a flexible pension arrangement, which can be tailored to suit changes to your lifestyle such as your employment status, your income and your family circumstances.
- The Modular iSIPP offers you complete control over where and when you invest.

Your Commitment

- Before buying the Modular iSIPP, you need to consider whether you have sufficient investment experience and are prepared to be responsible for making decisions about how your money is invested during the time that your Modular iSIPP is open. If you have appointed a Financial Adviser, they will be able to assist you with this process.
- You will need to make at least one payment into your Modular iSIPP. This payment could be a transfer from an existing pension you hold or a contribution from you or your employer.
- You must be prepared to keep your money invested and not have access to it, normally until at least age 55.
- You will need to pay the charges set out in the Modular iSIPP Charges Schedule.
- You should regularly review your investments and the amount you pay with your Financial Adviser.

Risk Factors

General

- Future changes to tax rules could affect tax relief on contributions, the taxation of your investments and the taxation of your benefits when you come to take them.
- Decisions you make in relation to payments into your Modular iSIPP, the investments and fixed term deposit accounts you select and the way in which you take benefits from your Modular iSIPP could affect the level of the benefits you receive at retirement.

Applying for the Modular iSIPP

- If you apply for the Modular iSIPP and later change your mind and want to cancel it, you may get back less than you paid in. For further information, please refer to the Modular iSIPP Terms and Conditions.
- If you transfer existing pension funds into (or out of) your Modular iSIPP, they may need to be transferred as cash and you may not get the benefit of any investment increases whilst the transfer is being processed.
- If you transfer existing pension funds into your Modular iSIPP from another registered pension scheme you may give up valuable pension rights or guarantees that the Modular iSIPP cannot match. The existing pension provider may also apply a penalty, resulting in a reduction in the value of the transfer.

Whilst your money is invested

- The value of an investment can go down as well as up, and you may not get back the amount you originally invested. This is more likely if you select complex, high risk investments. This would affect the value of your Modular iSIPP and the benefits you would be able to take.
- If the value of your Modular iSIPP is low, the effect of charges could significantly reduce its value over time if the returns on the investments in the Modular iSIPP do not cover the level of charges.
- Different types of investment have different risks. For further information on the risks that are specific to a particular investment, please speak to your Financial Adviser.
- The rate of interest offered on the SIPP Bank Account is variable and could change in the future.
- Any foreign investments will be affected by changes in the rate of currency exchange.
- The illustration you receive will give you an indication of what you might get back from your Modular iSIPP. The figures quoted are based on a number of assumptions and are not guaranteed. Your actual benefits, when you come to take them, could be more or less than the amounts shown in the illustration. You should regularly review your contributions and the performance of your investments to ensure your Modular iSIPP is in line with your expectations.

- Depending on where you invest, your investment may not have protection under the Financial Services Compensation Scheme (FSCS). Whilst the SIPP Bank Account and the fixed term deposits available on our Cash Panel are covered by the FSCS, in the event of the failure of the investment bank, there are limits to this cover. For further information, please see page 9 of this Key Features Document.

Withdrawals from your Modular iSIPP

- The value of your Modular iSIPP and the benefits it provides are not guaranteed. They will depend on a number of factors such as future investment performance, charges deducted, annuity rates and interest rates at the time you take benefits.
- If you take your pension income earlier than originally intended, the amount you receive could be less than expected due to the value of the Modular iSIPP at that time.
- It may take time to sell certain investments. If a delay does occur, this may affect your retirement planning, as the money to pay your required benefits may not be available when you need it. For example, commercial property held within the Modular iSIPP could take several months to sell, or you may not be able to find a buyer.
- High levels of price inflation could reduce what you could buy in the future with your pension benefits.
- Income withdrawals are subject to Income Tax at your marginal rate (apart from the tax free lump sum of 25% of your pension). This means that depending on how much cash you withdraw from your pension, you could fall into a higher rate tax bracket and pay 40% or even 45% tax on your income withdrawals.
- High levels of income withdrawal are unlikely to be sustainable for a long period. The pension pots you build up over your working life are designed to provide you with an income during your retirement, therefore you should be careful how much you draw each year - or you may outlive your pension savings.

For more information on the risks associated with SIPPs, please read our guide, 'SIPPs & Wraps: assessing the risks', available from our website at www.jameshay.co.uk.

Questions and Answers

Is the Modular iSIPP the correct product for me?

- If you are looking to build a pension fund for retirement in a tax efficient way and want access to a wide variety of investment options and services that can be varied to suit your changing needs, then the Modular iSIPP may be right for you.

Who can pay contributions into the Modular iSIPP?

- You, your employer (if you have one) or another third party (for example, a parent or spouse) can pay contributions into your Modular iSIPP on your behalf.
- You can take out a Modular iSIPP for a child under the age of 18 if you are the parent or legal guardian.
- The Modular iSIPP can also accept transfers from other pension arrangements you may have.

How much can I contribute?

- There is no minimum or maximum contribution level although you may have to pay a tax charge on contributions over a certain limit. For further details please refer to the Modular iPlan Technical Guide.

Please note: if you have not engaged an FCA authorised Financial Adviser who is both promoting and advising you to open the plan, transfer in any pensions and investments and purchase particular investments then we would normally not accept an instruction to invest outside of the Core Modular iPlan investments without a minimum of £100,000 within the

plan being applied for. Core Modular iPlan investments include our Investment Centre (including Managed Portfolio Panel), Cash Panel and panel of Stockbrokers and Investment Managers.

- You can pay regular or occasional contributions at any time and you can vary the amount and frequency of your contributions.
- You can start contributions at any age although all contributions to your Modular iSIPP must cease by your 75th birthday.

Will I get tax relief on my contributions?

- Yes, provided you meet certain criteria set by HM Revenue & Customs (HMRC), you will receive tax relief at your highest marginal rate on contributions paid by you up to £3,600 or 100% of your relevant earnings (whichever is the higher). However, if you contribute more than the annual allowance (or money purchase annual allowance, if applicable), you will be subject to a personal tax charge that will effectively cancel out the tax relief. For further details please refer to the Modular iPlan Technical Guide.
- We will claim basic rate tax relief on your behalf from HMRC. For example, if you pay £80, we will reclaim £20 meaning the Modular iSIPP has received a total of £100.
- If you pay higher rate tax, you may be able to claim extra tax relief through your self-assessment tax return.
- Current levels of tax relief are not guaranteed and could be subject to changes by the Government after the Modular iSIPP has been opened.

Can I transfer pension benefits from another pension scheme to the Modular iSIPP?

- Yes, you can transfer pension benefits from other registered pension schemes or Qualifying Recognised Overseas Pension Schemes (QROPS) into your Modular iSIPP. Transfer payments in the form of assets other than cash (known as in-specie transfers) can also be accepted.
- There is no guarantee that transferring another pension arrangement to your Modular iSIPP will increase your total retirement benefits. There could be a number of reasons why it might not be appropriate to transfer in existing pension benefits and we strongly suggest you take financial advice if you are considering this option.

Please note: We are unable to accept any transfer from a defined benefits (final salary) or a defined contribution (money purchase) scheme that contains safeguarded benefits unless you have received advice in relation to the transfer from a suitably qualified Financial Adviser and they have recommended that you proceed with the transfer.

If you have not engaged an FCA authorised Financial Adviser who is both promoting and advising you to open the plan, transfer in any pensions and investments and purchase particular investments then we would normally not accept an instruction to invest outside of the Core Modular iPlan investments without

a minimum of £100,000 within the plan being applied for. Core Modular iPlan investments include our Investment Centre (including

Managed Portfolio Panel), Cash Panel and panel of Stockbrokers and Investment Managers.

What can I invest in?

- Through the Modular iSIPP you can invest in a wide range of investments, including collective investment funds (such as unit trusts and OEICs), investment trusts, individual stocks and shares, fixed term deposits and commercial property. For further information please see the Modular iSIPP Permitted Investments List.
- You can invest in a model portfolio made up of funds from the Investment Centre via the Managed Portfolio Panel. A list of model portfolios is available from our website at www.jameshay.co.uk.

Please note: if you invest in a model portfolio on the Managed Portfolio Panel, you will be unable to hold Investment Centre funds outside

of the portfolio in the Modular iSIPP. The Managed Portfolio Panel is only available to

clients who have a Financial Adviser appointed.

- You can appoint third party Investment Managers to make investment decisions on your behalf.
- You can open an account with a Stockbroker to buy and sell stocks and shares.
- Any money within your Modular iSIPP is held in a SIPP Bank Account in the name of our trustee company, with Santander UK plc, until we receive instructions to invest. Interest is paid tax free on this account, which is operated by us.
- You can change investments at any time, unless an investment has restrictions. These will be in the literature or terms and conditions for the relevant investment you or your Financial Adviser has chosen.

What are the modules within the Modular iSIPP?

Core iSIPP

- The Core iSIPP gives you access to the James Hay Investment Centre which provides the facility for you to pick and mix individual collective investment funds from a wide range of leading Fund Managers at discounted charges.
- You can access a model portfolio via the Managed Portfolio Panel. A list of model portfolios is available from our website at www.jameshay.co.uk.

Please note: if you invest in a model portfolio on the Managed Portfolio Panel, you will be

unable to hold Investment Centre funds outside of the portfolio in the Modular iSIPP. The Managed Portfolio Panel is only available to clients who have a Financial Adviser appointed.

- You can invest in fixed term deposits with a provider from our Cash Panel.
- You can use the services of our Panel Stockbrokers and Investment Managers.

A list of providers on our Cash Panel and Stockbroker/Investment Manager Panels is available on our website at www.jameshay.co.uk.

Commercial Property Module

You can invest in land and buildings used for commercial purposes. You cannot buy residential property using this module. For further information

please see the Commercial Property Purchase Guide available on our website at www.jameshay.co.uk.

Whole of Market Module

- You can invest in most other types of investment allowed under HMRC pension rules which do not fit within one of the other modules of the Modular iSIPP including the appointment of Investment Managers and Stockbrokers not on our Panel and investment grade gold bullion.

Please note: If an investment fund is available under our Investment Centre, you must buy it through our Investment Centre and you will not be permitted to purchase it via the Whole of Market Module.

For further information on the investments available to you under the Modular iSIPP please see the [Modular iSIPP Permitted Investments List](#) and the [Modular iSIPP Member Guide](#) which are available on our website at www.jameshay.co.uk.

What are the charges?

- Full details of our charges are given in the Modular iSIPP Charges Schedule. You may pay charges to other parties depending on the investments you select. You may also pay charges to your Financial Adviser. These charges can be paid out of your Modular iSIPP.
- Our charges are normally deducted from your SIPP Bank Account. If there is insufficient money available in your SIPP Bank Account we will ask you to either sell some investments within your Modular iSIPP or you can pay us directly.

Can I have an illustration?

- Yes. If you have a Financial Adviser they will provide you with an illustration. If you do not have a Financial Adviser, we will send you an illustration when we receive your application form. Alternatively, you can request an illustration before you make an application by contacting James Hay Partnership. Our contact details are in the 'How to contact us' section later in this Key Features Document.

When can I take benefits?

- You can normally start drawing retirement benefits from age 55, even if you are still working. The amount you receive will depend on the value of your Modular iSIPP.
- When you come to take retirement benefits, if the total of all your pension funds exceeds a certain limit (the lifetime allowance) you may have to pay a tax charge on the excess (the lifetime allowance charge). Please see the Modular iPlan Technical Guide for further information.

What types of benefits can I take?

You can take your retirement benefits in a number of different ways.

- **Flexi-access drawdown**

You can take a tax free lump sum (known as a Pension Commencement Lump Sum or PCLS) of up to 25% of your pension fund. You can then draw a regular income from the remaining pension fund. The income you draw will be subject to tax at your marginal rate. You can vary the level and frequency of the income at any time.

- **Uncrystallised Funds Pension Lump Sum (UFPLS)**

You can take lump sums (called Uncrystallised Funds Pension Lump Sums or UFPLS) out of your pension fund on an ad-hoc basis, subject to a minimum individual withdrawal level of £1,000. If you do this, 25% of the UFPLS payment will be tax free and the remaining 75% will be subject to tax at your marginal rate.

- **Lifetime Annuity**

You can take a tax free lump sum (known as a Pension Commencement Lump Sum or PCLS) of up to 25% of your pension fund. You can then use your remaining pension fund to purchase a lifetime annuity from an insurance company. This is where the insurance company agrees to pay you a regular income until you die.

The income is taxed at your marginal rate

For further details of the options and rules for taking benefits from your Modular iSIPP, please refer to the Modular iPlan Technical Guide.

Pension Wise

Deciding what benefits to take from your pension is an important decision. We recommend that you seek appropriate guidance or advice to understand your options at retirement.

- You are entitled to receive free and impartial guidance through the Government backed service called Pension Wise.
- The guidance does not replace financial advice given by regulated Financial Advisers.
- The objective of the service is to empower you to make informed and confident decisions on how you use your pension savings in retirement.
- For further details of how to access this service please see page 9 of this Key Features Document.
- Current tax benefits are not guaranteed. Any changes made by the Government may impact the level of your benefits when you come to take them.

What if I become ill before I retire and cannot work?

- Subject to medical evidence, we may pay ill health early retirement benefits, or serious ill health benefits, in the form of a pension income or lump sum from your Modular iSIPP.
- Full details of ill health benefits are given in the Modular iPlan Technical Guide.

What happens when I die?

- Your Modular iSIPP is held within a Trust, which means it does not usually form part of your estate and therefore is not subject to inheritance tax.
- You can provide us with details of who you would like to receive any benefits payable from your Modular iSIPP on your death.
- This does not bind us, but will help us decide to whom we will pay out benefits.
- These benefits can be paid either as a lump sum or as a beneficiary's pension.
- The tax treatment of these benefits will vary depending on whether you died before or after age 75.
- Full details of the benefits payable on death are given in the Modular iPlan Technical Guide.

Can I change my mind?

- Yes, you have the right to change your mind and cancel your Modular iSIPP. On receipt of your Modular iSIPP Application Form, we will send you a cancellation notice. You will have 30 days from receipt of this notice to tell us that you have changed your mind and wish to cancel your application. For further details please see the Modular iSIPP Terms and Conditions.

What other documents should I read?

- We ask that you also read the Modular iSIPP Key Features Illustration provided by your Financial Adviser, or by us if you do not have a Financial Adviser. In addition, you should read the Modular iSIPP Member Guide, Charges Schedule, Permitted Investments List and Terms and Conditions and the Modular iPlan Technical Guide. These documents provide you with more detailed information on the Modular iSIPP.
- For details on how we will hold any money and/or investments, please read the document available on our website called "How your Money and Investments are held within James Hay Partnership Products".
- If after reading the documentation you are unclear about any aspect of the Modular iSIPP, or you are unsure whether the Modular iSIPP is right for you, we strongly suggest you take advice from a Financial Adviser.

What correspondence and communications will I receive?

- We will issue:
 - a Cancellation Notice that gives you the right to change your mind and cancel your Modular iSIPP (unless you've waived these rights in your Application Form).
 - information to allow you to access the secure area of our website for you to view details of your Modular iSIPP.
 - an annual valuation of your Modular iSIPP including an illustration of projected future benefits.
 - other necessary correspondence depending on the day-to-day operation of your Modular iSIPP.
- Where you have a Financial Adviser we will send correspondence to them, apart from cancellation notices which we will send to you. The only correspondence we will send to both you and your Financial Adviser is your annual valuation.
- Our standard methods of communication are letter, secure electronic messaging (through our secure website - James Hay Online) and by telephone. We do not consider standard email to be secure and so we will not normally communicate in this way if the communication includes personal information or instructions relating to your Modular iSIPP or investments.

Other information

Pension Wise

The Government backed service called Pension Wise is provided by The Pensions Advisory Service and Citizens Advice. You can receive this guidance online, by telephone or face-to-face.

Please visit the Pension Wise website at 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.

How to complain

If you are not satisfied with any aspect of the service that you have received from us, please contact the Complaints Manager using any of the methods detailed in the 'How to contact us' section overleaf.

Complaints that we cannot settle may be referred to the Financial Ombudsman Service or the Channel Islands Financial Ombudsman.

For details of our formal complaints procedure or contact information for the organisations listed above, please see 'A Guide to our Complaint Procedure' leaflet, a copy of which can be obtained from our website at www.jameshay.co.uk.

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

Law

The information given in this document is based on our current understanding of pension and financial services regulations and can be subject to change as tax laws and legislation may change over time.

In the event of a dispute, the law of England and Wales will apply, and by completing a Modular iSIPP application you will be agreeing to this.

Financial Services Compensation Scheme (FSCS)

The Modular iSIPP is covered by the FSCS in the event that we are unable to meet our obligations to you regarding administration of the Modular iSIPP.

The SIPP Bank Account we open in connection with your Modular iSIPP is also separately covered by the FSCS in the event of the failure of the relevant bank itself.

Similarly, the underlying investments within your Modular iSIPP may be subject to their own protection from the FSCS in the event of the failure of the relevant investment provider. However, this will depend on the investments you select and you should seek further clarification from the investment provider or your Financial Adviser of the cover applicable to your chosen investments before investing.

How to contact us

We do not provide financial advice. Your Financial Adviser (if you have appointed one) will normally be your first point of contact. However, if you need more help or information regarding the administration or features of your Modular iSIPP or if you wish to exercise your right to cancel your Modular iSIPP, you can write to us at the following address:

James Hay Partnership

Dunn's House
St Paul's Road
Salisbury
SP2 7BF

Website: www.jameshay.co.uk

Telephone: 03455 212 414

Lines are open from 9am to 5pm
Monday to Friday

To help us improve our service we may record or monitor calls.



Dunn's House
St Paul's Road
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www.jameshay.co.uk

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

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