

James Hay Partnership SIPP Charges Schedule

**CLOSED
TO NEW
BUSINESS**

**CHARGES
APPLICABLE
FROM 31 MAY 2017**

This document sets out James Hay Partnership's charges for setting up and administering a James Hay Partnership SIPP (Partnership SIPP). It also provides you with a guide to all day-to-day transaction costs applied by James Hay Partnership, and answers some frequently asked questions about our charges.

There is a glossary and explanation of terms on page 8 to help you understand the terminology used. This is a legally binding document between you and James Hay Partnership and Section 1 of this Charges Schedule forms part of your James Hay Partnership SIPP Terms and Conditions. You should read this document carefully. If you do not understand any point, please contact your Financial Adviser. You should also read:

James Hay Partnership SIPP Key Features

James Hay Partnership SIPP Permitted Investments List

James Hay Partnership SIPP Terms and Conditions

James Hay Partnership SIPP Application Form

SIPP Technical Product Guide

Our charges are currently exempt from Value Added Tax (VAT) and we expect them to remain exempt in future. However, we reserve the right to charge you VAT in addition to our charges where VAT is applicable.

If you use the services of a third party, such as an Investment Manager or Stockbroker, additional charges may apply to your James Hay Partnership SIPP and VAT may be payable on services provided by these third parties. For details on third party charges please refer to Section 3.

Section 1

CHARGES

Initial charges

Type of charge	When is the charge taken?	Amount
Set up charge	On set up	£495

Annual charges

Type of charge	When is the charge taken?	Amount
Annual administration charge	Annually in arrears	£600

Contributions

Type of charge	When is the charge taken?	Amount
Single or regular cash contributions	N/A	Nil

Transfers in

Type of charge	When is the charge taken?	Amount
Cash or in-specie transfer in	N/A	Nil

Investments

Type of charge	When is the charge taken?	Amount
Processing conventional investments (buy, sell or switch)	N/A	Nil
Processing connected party transactions (excluding commercial property)	On completion of the transaction	£250
Investment Manager/Stockbroker account annual charge	Annually in advance	£150

Specialist investments¹

Type of charge	When is the charge taken?	Amount
Specialist investments annual charge	Annually in advance	£300
Unquoted shares	On completion of the transaction	£100 per trade
Unconnected loans	On completion of the transaction	£100 per event

¹ No new purchases of Specialist Investments are allowed. If your product is already invested in a Specialist Investment we will allow additional investment in these existing holdings (known as top ups). Therefore, the above charges will apply to top ups and any sales.

Commercial Property

Type of charge	When is the charge taken?	Amount
UK purchase or transfer in (with panel solicitor)	On completion of the transaction	£600
UK purchase or transfer in (without panel solicitor)	On completion of the transaction	£1,100
Purchase charge per additional member	On completion of the transaction	£100
VAT initial registration	On completion of the transaction	£120
Mortgage arrangement charge	On completion of the transaction	£250
Annual property charge using CBRE (per lettable unit/property)	Annually in advance	£950 (first lettable unit/lease in each property) £550 (each additional lettable unit/lease in each property)
Annual property charge self managed by member (per lettable unit/property) ²	Annually in advance	£525 (first lettable unit/lease in each property) £450 (each additional lettable unit/lease in each property)
Additional member annual charge (for each additional member)	Annually in advance	£100
Annual mortgage charge	Annually in advance	£150
Annual VAT charge (not when self managed option is selected)	Annually in advance	£100
Sale or transfer out (with panel solicitor)	On completion of the transaction	£450
Sale or transfer out (without panel solicitor)	On completion of the transaction	£800
Buy out (Buy out with documentation changes)	On completion of the transaction	£450 (plus £150)
Purchase or sale cancellation fee	On cancellation	£300
Review of lease renewal/new lease/deeds/licences to occupy, assign, alter or sub-let (where prepared by non panel solicitor)	On completion of the review	£200
Property development charge	On completion of the development	0.5% of cost of works (charge capped at £2,000) per development
Pre-funding expenses charge	At the point funding is provided	£50
Penalty for failing to provide property related documentation (applicable to self managed property only) ³	Quarterly in arrears	£75

² The option to self manage a property is only available in certain circumstances. Please see the Commercial Property Purchase Guide for your product (available at www.jameshay.co.uk) for further details. We reserve the right to insist on CBRE managing the property in certain circumstances.

³ This charge is payable if documentation has been outstanding for more than 90 days from the date the request was made.

Other administration charges

Type of charge	When is the charge taken?	Amount
External bank account annual administration charge (excluding bank accounts with cash deposits held at a fixed rate for a fixed term)	Annually in arrears	£50 (per account)
Ad-hoc paper valuation	On issue	£50
Late income payment administration charge	When late income payment is made	£30
Failed payment administration charge (any other payments, charges, etc.)	When we are unable to take due (or overdue) charges, expenses, etc.	£30
Overdue costs - letter charge	On issue of letter	£10

Benefits and payments/withdrawals

Type of charge	When is the charge taken?	Amount
Income Drawdown set up (per payment of PCLS) ⁴	On completion of the transaction	£100
Annual Income Drawdown charge (once benefits are crystallised as flexi-access or capped drawdown - even if nil income taken)	Shortly after issue of P60	£150
Review of income limits on capped drawdown	On completion of the review	£150
Uncrystallised funds pension lump sum payment	On completion of the transaction	£100
In-specie payments	On completion of the transaction	£250
Arranging annuity purchase	On completion of the transaction	£150
Death benefits	We will not normally charge for processing death benefits, however, in exceptional circumstances we may charge on a time/cost basis. Please see the 'Additional work' section below.	

⁴ This includes where we are setting up income following receipt of a transfer in drawdown where no further PCLS is payable.

Transfers out and closure

Type of charge	When is the charge taken?	Amount
Arranging transfer out	On completion of the transaction	£150
Arranging overseas transfer out	On completion of the transaction	£400
Account closure charge ⁵	When flexi-access drawdown or uncrystallised funds pension lump sum payments first reduce the value of your SIPP below £1,000	£100
Administration charge (on any cash payments received after your Partnership SIPP is closed (for example, dividends)) ⁶	On completion of the transaction	Equal to the value of the cash received up to a maximum of £50 per payment received

⁵ This charge will not be applied where the full value of the fund is being used to purchase an annuity or is being transferred to another pension scheme.

⁶ Any balance will be forwarded to you on completion of the transaction.

OTHER IMPORTANT CHARGES

Additional work

The above charges indicate the standard investments and work involved in administering your Partnership SIPP. However, if we need to perform additional administration over and above that which is deemed reasonable, we will charge an hourly rate of £150 per hour minimum, relevant to staff seniority and expertise.

Regulatory/industry levies

In the event of a levy being imposed on us under the Financial Services Compensation Scheme or any other levy or taxation being imposed on us or your Partnership SIPP affecting our business, we may recover from your Partnership SIPP an amount equal to the proportion of such levy or taxation. In the event that we do this, we will give you 30 days notice of the amount that is due from your Partnership SIPP.

Annual charge increases

With effect from 1 April 2018, annual charges will increase from 1 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) without giving prior notice to you. We will give you 30 days' notice if we amend or increase any annual charges by an amount exceeding the percentage increase in Average Weekly Earnings, or if we amend or increase any other charge.

Section 2

EXAMPLES

Below are examples of the typical charges we would take from the Partnership SIPP in different scenarios:

Example scenario 1

Getting started

A Financial Adviser recommends a James Hay Partnership SIPP for a client. The client has two pension funds with other providers, which will all be transferred as cash with a total value of £150,000.

The Financial Adviser's Service Executive Team at James Hay Partnership will facilitate the transfers, request pension discharge forms from the current provider and, once received, request the required transfers. The Service Executive Team will also set up the Partnership SIPP, perform the necessary checks and set up the SIPP Bank Account.

We tell the Financial Adviser when each pension fund has been transferred. Once the final transfer has arrived, the Financial Adviser implements the investment strategy he has agreed with the client.

What would the costs for this be?

Getting started

Set up charge	£495
Transfer in charge	Nil
TOTAL	£495

Ongoing charges

Annual administration charge	£600
TOTAL (per annum)	£600

Example scenario 2

Taking benefits through flexi-access drawdown

The member decides to start drawing regular benefits through flexi-access drawdown from his Partnership SIPP.

The member decides to take his maximum allowed Pension Commencement Lump Sum (PCLS) along with an income, paid monthly. This is known as Income Drawdown. The Financial Adviser and member decide to disinvest some units to fund the PCLS, and set up a regular disinvestment to fund the income payments. If the member reduces his income to nil, the annual income drawdown charge will still apply.

What would the costs for this be?

Taking benefits

Income Drawdown set up charge	£100
Disinvestment dealing charges	Nil
TOTAL	£100

New ongoing charges

Annual administration charge	£600
Annual Income Drawdown charge	£150
TOTAL (per annum)	£750

Section 3

FREQUENTLY ASKED QUESTIONS ABOUT CHARGES

Crystallisation and Income Drawdown

1. What do your charges for drawing an income cover?

We charge you an annual Income Drawdown charge which covers the administration of PAYE payroll, deduction of tax if required and making the appropriate returns to HM Revenue & Customs (HMRC). This charge also covers any work required to vary the level and frequency of income payments. The charge applies even if you are taking zero income.

2. What do your charges for taking an uncrystallised funds pension lump sum (UFPLS) cover?

We charge a one-off amount for each UFPLS that you take and this covers the payment of the tax-free element, deducting tax under PAYE on the balance and paying the net amount to you.

3. What happens if there is insufficient money in my SIPP Bank Account when you come to pay my income?

In the event that there is insufficient money to make an income payment when it is due, we will continue to try and make the payment up until the cut-off date for the next month. If we are subsequently able to make a late income payment, you will be charged a £30 administration charge. In the event that we are not able to make this payment by the cut-off date for the next month, the income payment will be cancelled from our systems. Payroll cut-off dates can be found on our website at www.jameshay.co.uk.

Investment related charges

4. Do your charges include the Stockbrokers' or Investment Managers' charges?

No. If you choose to use the services of a Stockbroker or Investment Manager, they will apply charges for trading in stocks, shares and other investments and for holding cash on your behalf. Please refer to the Stockbroker's/Investment Manager's literature for further details. If the Stockbroker/

Investment Manager holds cash on behalf of your Partnership SIPP, charges will be taken out of this cash, or charges will be settled from the cash held in your SIPP Bank Account.

The level of the charges of a Stockbroker/Investment Manager and the reasonableness of them is a matter for you to determine with your Financial Adviser.

General

5. How do your charges get paid?

We automatically deduct charges from your SIPP Bank Account, unless there is insufficient cash available. It is your responsibility to ensure that there is sufficient cash available in your SIPP Bank Account to cover adviser and product charges. We do not send you invoices when charges become due. If any charge is due and there is insufficient cash available, at our discretion, we will sell investments within your Partnership SIPP to pay charges without further notice to you.

You can choose to pay our charges personally, rather than having them deducted from your SIPP Bank Account. We will decide the terms and methods of payment of any charges to be paid in this way. If you do not pay the charges due, you or your estate will be personally liable for the payment of the charges due.

We reserve the right to charge interest on late payment at 8% over base rate as determined by the Bank of England.

For further information, please refer to section 15 of the SIPP Terms and Conditions.

6. What rate of interest is paid on my SIPP Bank Account and do you retain an element of this?

Your SIPP Bank Account is provided for the receipt and payment of money for your Partnership SIPP (for example, receiving your contributions into your Partnership SIPP, the payment of benefits out of your Partnership SIPP and the purchase or sale of investments held within your Partnership SIPP). The account is designed for holding cash for short periods of time while your investments are being made, or your benefits are being paid, rather than for holding cash over the long term.

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 at www.jameshay.co.uk.

Banks pay us extra interest because of the total amount of money we hold with them. We will retain this extra interest as it helps us to keep down the other charges on your Partnership SIPP.

7. What interest do I earn on my fixed term deposits with providers on your Cash Panel?

Indicative rates of interest for any term deposits that you place with a Cash Panel provider are shown on our website at www.jameshay.co.uk but the actual rate you receive will be the rate offered by the bank at the time they receive your application.

8. What is the account closure charge?

The account closure charge covers the costs of closing your Partnership SIPP if it is not closed through purchasing an annuity or transferring out. It is taken when flexi-access drawdown or uncrystallised funds pension lump sum payments first reduce the value of your Partnership SIPP below £1,000. Although the charge is taken at this point, we will not actively close your Partnership SIPP except in certain circumstances. Please see section 16 of the SIPP Terms and Conditions for further information.

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

Glossary and explanation of terms

Capped Drawdown	A form of income drawdown where there is a maximum annual income limit calculated
Connected party transaction	The purchase of an asset from an individual where there may be a direct or indirect connection to the Partnership SIPP member.
Crystallisation	The act of starting to take benefits (tax free lump sum and/or income) from your Partnership SIPP.
Flexi-access Drawdown	A form of income drawdown available from 6 April 2015 where there is no limit on the amount of income you can take each year.
Income Drawdown	Crystallising benefits in order to draw a tax free lump sum and/or income. This covers both capped drawdown and flexi-access drawdown.
In-specie	The transfer of an asset other than cash from another pension scheme to this one, e.g. shares or holdings in investment funds.
Pension Commencement Lump Sum (PCLS)	A tax free lump sum payment paid on commencement of income drawdown, it is usually 25% of the value of the benefit crystallisation event.
Transfer in	Transferring the value of pension rights from an existing pension scheme to your Partnership SIPP either in cash or in-specie.
Uncrystallised funds pension lump sum (UFPLS)	A lump sum made of a tax-free element (25%) and a taxable element (75%) that you can take from your pension fund provided you have not already crystallised those funds through income drawdown.

If you have any questions regarding the content of this document or if you require any of the documents shown on page 1, please visit www.jameshay.co.uk or call us on 03455 212 414.

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).

James Hay Partnership is the trading name of James Hay Insurance Company Limited (JHIC) (registered in Jersey number 77318); IPS Pensions Limited (IPS) (registered in England number 2601833); James Hay Administration Company Limited (JHAC) (registered in England number 4068398); James Hay Pension Trustees Limited (JHPT) (registered in England number 1435887); James Hay Wrap Managers Limited (JHWM) (registered in England number 4773695); James Hay Wrap Nominee Company Limited (JHWNC) (registered in England number 7259308); PAL Trustees Limited (PAL) (registered in England number 1666419); Santhouse Pensioner Trustee Company Limited (SPTCL) (registered in England number 1670940); Sarum Trustees Limited (SarumTL) (registered in England number 1003681); Sealgrove Trustees Limited (STL) (registered in England number 1444964); The IPS Partnership Plc (IPS Plc) (registered in England number 1458445); Union Pension Trustees Limited (UPT) (registered in England number 2634371) and Union Pensions Trustees (London) Limited (UPTL) (registered in England number 1739546). JHIC has its registered office at 3rd Floor, 37 Esplanade, St Helier, Jersey, JE2 3QA. IPS, JHAC, JHPT, JHWM, JHWNC, SPTCL, SarumTL and IPS Plc have their registered office at Trinity House, Buckingham Business Park, Anderson Road, Swavesey, Cambs CB24 4UQ. PAL, STL, UPT and UPTL have their registered office at Dunn's House, St Paul's Road, Salisbury, SP2 7BF. JHIC is regulated by the Jersey Financial Services Commission and JHAC, JHWM, IPS and IPS Plc are authorised and regulated by the Financial Conduct Authority. The provision of Small Self Administered Schemes (SSAS) and trustee and/or administration services for SSAS are not regulated by the FCA. Therefore, IPS and IPS Plc are not regulated by the FCA in relation to these schemes or services.(01/14)