

James Hay Partnership SIPP Charges Schedule

Charges applicable from 1 September 2020

CLOSED TO NEW BUSINESS

This Charges Schedule sets out James Hay Partnership's charges for administering your James Hay Partnership SIPP (Partnership SIPP). 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 Partnership SIPP 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 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**

Section 1 - Core charges

Core charges	Amount (£)	
Annual administration charge	715	A

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	

! If you fully close your Partnership SIPP by taking a PCLS payment followed by an income drawdown payment, an annual income drawdown charge will still be payable prior to closure.

Administration	Amount (£)	
External bank account annual administration charge (per account) (excluding bank accounts with cash deposits held at a fixed rate for a fixed term)	54	A

! Please note that we no longer accept investments into bank/deposit accounts that do not have a fixed rate for a fixed term (other than top ups to existing investments).


Investments charges

Investments	Amount (£)	
Investment manager/stockbroker account annual charge	95	A
Specialist Investments annual charge	324 + VAT	

! 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.

Partnership SIPP Charges Schedule

Commercial Property	Amount (£)	
UK purchase or transfer in	600 + VAT	C
Sale or transfer out	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 property charge self managed by member (first lettable unit/lease in each property) (each additional lettable unit/lease in each property)	770 + VAT 690 + VAT	
Annual mortgage charge	162 + VAT	
Additional member annual charge (for each additional member)	108 + VAT	

 Please note that the option to self manage property is only available in certain circumstances. Please see the Commercial Property Purchase and Maintenance Guide on our website for further information.
 If there are multiple SIPP owners, the commercial property charges will be split in proportion to each member's SIPP interest in the property.

Important notes

Additional work	Regulatory/industry levies
<p>The above charges indicate the standard work involved in administering your Partnership SIPP. 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.</p>	<p>If any levy or taxation is imposed on us or your Partnership SIPP, 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 Partnership SIPP. We will give you 30 days' notice if this occurs.</p>
Annual charge increases	
<p>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).</p>	

Section 2 - Examples

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

- Has a Partnership SIPP with a value of £200,000 held with an investment manager/stockbroker
- Requests benefits of £40,000 via flexi-access drawdown (for £10,000 PCLS and a regular income)

Set up charges	(£)	Ongoing charges (per annum, including first year)	(£)
Income drawdown set up charge	100 + VAT	Annual administration charge	715
Total	100 (excl. VAT)	Investment manager/stockbroker account annual charge	95
		Annual income drawdown charge	132 + VAT
		Total	942 (excl. VAT)

For illustrative purposes only

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

- Self manages a commercial property in their SIPP

Ongoing charges (per annum)	(£)
Annual administration charge	715 + VAT
Annual property charge (self managed by member)	770 + VAT
Annual mortgage charge	162 + VAT
Total	1,647 (excl. VAT)

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 Partnership SIPP 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.

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.

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. 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.

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 Partnership SIPP.

You can find more information on the Partnership SIPP by visiting the literature pages and Frequently Asked Questions section on our website at www.jameshay.co.uk, or by contacting us on 03455 212 414.

Glossary

Capped drawdown	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.
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 where there is no limit on the amount of income you can take each year.
Income drawdown	Single or regular payments of taxable income taken from your Partnership SIPP through capped or flexi-access drawdown.
Investment manager	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 Partnership SIPP in their custody. They can be appointed on an execution-only, advisory or discretionary basis. Please see our website for further information.
Pension Commencement Lump Sum (PCLS)	A tax free lump sum paid on commencement of income drawdown. The PCLS is usually up to 25% of the value being crystallised.
Stockbroker	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 Partnership SIPP in their custody. Please see our website for further information.
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 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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