

SIPP benefits guide

keyfacts[®]

The Financial Conduct Authority is the independent financial services regulator. It requires us, AJ Bell Management Limited, to give you this important information to help you to decide whether our AJ Bell Youinvest SIPP 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.

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The value of your investments can go down as well as up and you may get back less than you originally invested.

We don't offer advice, so it's important you understand the risks, if you're unsure please consult a suitably qualified financial adviser.

Tax treatment depends on your individual circumstances and rules may change. The information in this guide is based on tax rules as at 6 April 2018. If you are resident in Scotland, different [rates](#) of tax apply and figures and examples in this guide may vary.

1. Introduction

This guide has been designed to help you make the right choices when deciding what benefits to take from your SIPP.

It explains

- The options available to you
- The benefits and risks associated with those options
- How you can let us know which option you have chosen;
- What happens next
- What happens to your benefits when you die

The guide also addresses some additional questions you may have.

If you're not sure which is the right option for you, Pension Wise is the Government's free and impartial guidance service



available to help you understand your options. You can access this online at www.pensionwise.gov.uk, book a telephone appointment by calling 0800 280 8880 or arrange a face-to-face meeting through your local Citizens Advice Bureau. Just keep in mind that Pension Wise is not a substitute for full, regulated financial advice. You may also want to ask for advice from a suitably qualified financial adviser.

2. SIPP benefits - the basics

Your SIPP provides you with the flexibility to choose the age, from 55, at which you want to start receiving your benefits.

Once you have made this choice you can choose to draw a pension from your SIPP through:

- income drawdown also known as flexi-access drawdown
and /or
- taxable lump sums, also known as uncrystallised pension lump sums
and /or
- purchase an annuity from an insurance company.

If you choose drawdown or an annuity you can usually also receive a tax free lump sum – also known as a pension commencement lump sum from your SIPP. The lump sum will normally be 25% of the value of the fund being used to provide your benefits although this may vary if you have registered with HM Revenue & Customs (HMRC) for protection of your benefits, or have used up all or most of your lifetime allowance.

If you choose taxable lump sums, 25% will be tax-free with the remaining 75% subject to income tax.

When considering your options you should be aware that this may have an effect on the amount you can contribute to your SIPP. Before you take benefits the annual limit on contributions is £40,000. Once you have flexibly accessed your benefits the amount you can pay to money purchase pensions, including your SIPP, drops to £4,000. You flexibly access your pension by taking a taxable lump sum, an income under flexi-access drawdown or a flexible annuity. If you only take a pension commencement lump sum and no income from drawdown the limit on contributions is not affected.

If you choose to take income drawdown from your SIPP, your pension fund can continue to remain invested in a tax efficient manner beyond your retirement.

Both flexi-access drawdown and the taxable lump sums allow you to take as much or as little income from your SIPP as you wish.

When considering the level of income to take you should consider whether it will be sustainable for the rest of your life and how much tax you will have to pay on the income.

If you started drawdown before 6 April 2015 you may be in 'capped drawdown'. Under capped drawdown the amount of income you can receive each year is subject to limits set by the Government. You can switch from capped to flexi-access drawdown at any point but you should remember that this will mean the amount you can pay into your SIPP will drop from £40,000 to £4,000 a year.

Another important thing to consider is that you don't have to take drawdown benefits from your AJ Bell Youinvest SIPP. Other pension providers may offer drawdown products that are more appropriate for your needs and circumstances. If you need help shopping around, the Money Advice Service website (moneyadvice.service.org.uk) provides some useful information.

If you choose to purchase an annuity, your pension fund is passed to an insurance company which converts it into a pension income payable to you for the rest of your life.

You can choose an annuity that only provides a pension for you, or you can choose one that also provides a pension for your spouse or partner after you die. You also have the choice of whether you want your pension to remain level throughout your retirement, whether you want it to increase as you get older or whether you want to allow for payments that can decrease over time. This may be useful if you have other sources of income that will only become payable at a later date.

If you need further information about finding an independent financial adviser in your area you can find it at unbiased.co.uk, vouchedfor.co.uk or moneyadvice.service.org.uk/en/articles/choosing-a-financial-adviser.

2.1 Income drawdown and taxable lump sums – the commitments and risks

If you choose to take benefits from your SIPP using either drawdown or taxable lump sums.

Your commitments will be

- To choose an initial income level suitable for you
- To determine the most appropriate investment strategy for you
- To review your investment strategy regularly
- To regularly review your income level and whether to continue taking those benefits (or purchase an annuity)
- To comply with our terms and conditions and pay the SIPP charges set out on our website www.youinvest.co.uk
- To notify us of any changes to your personal circumstances that might affect your SIPP, particularly those affecting your eligibility to receive benefits.

The risks are

- Your pension fund will remain invested and the value of the underlying investments can fall as well as rise and is not guaranteed. This may reduce or increase the level of pension you can take.
- The income you take from your SIPP may not be sustainable particularly if investment returns are low. The higher the income you take, the greater the chance that it will reduce in the future. If your SIPP runs out of funds it could leave you relying on other sources of income for the rest of your retirement.
- Payments you take from your SIPP are subject to income tax. You may have to pay a significant amount of tax if you make large withdrawals in a short period of time.
- Cash and investments held within your SIPP benefit from significant tax advantages when compared with cash and investments you hold outside pensions.
- Death benefits available from your pension after you have reached age 75 are subject to tax charges.
- The pension you receive from your SIPP is not fixed or guaranteed for life. If security of income is important to you then you should consider taking an annuity.
- Not buying an annuity, may result in the annuity available to you at a later date being lower.
- Purchasing an annuity may mean you receive the benefit of a cross-subsidy from the funds of annuitants who have died. Income drawdown does not offer this cross subsidy.
- If you have a small SIPP and no other assets or income to fall back on the financial impact of these risks may be greater.
- If you are in ill health, annuities may offer you an enhanced income. Income drawdown does not offer this.

- If you place any part of your SIPP in drawdown you will not be eligible to receive a serious ill-health lump sum from the drawdown fund.

2.2 Annuity purchase - the commitments and risks

If you choose to purchase an annuity from your SIPP.

Your commitments will be

- To decide whether it is the right time to purchase an annuity or whether delaying the purchase might result in a higher annuity.
- To shop around to make sure that the type of annuity and options you choose are right for you.
- To consider whether you wish to provide a pension for your spouse or partner after your death.
- To check whether any of your circumstances mean you qualify for an enhanced annuity.
- To consider whether you wish to purchase an annuity that will increase over time, one which stays level, or one which allows for payments to decrease over time. Your choice will have an impact on the level of payments you receive at the start of your annuity and how the value of these is affected over time by inflation.
- To bear the underlying expenses of the insurance company as implicitly contained in the annuity rate.

The risks are

- Your choice to purchase an annuity, and the type of annuity you choose, is a one-off decision that cannot be reversed. Your circumstances may change in the future meaning your choice of annuity is no longer right for you
- The pension available to you from the annuity market may be low when you choose to purchase the annuity
- You are not able to transfer your benefits from one insurance company to another once an annuity has been purchased
- You may not benefit from future growth in your fund after you have purchased an annuity
- Your date of death may mean you are cross-subsidising the pension being paid to annuitants who live longer than you
- Annuity rates vary continuously as a result of a complex set of factors. This makes the timing of your annuity purchase important.

3. Your benefits options

3.1 Lump sums

Pension commencement lump sum (tax-free cash)

One of the retirement benefits available from your SIPP is a lump sum (currently tax-free). This is known as a pension commencement lump sum.

You can have a pension commencement lump sum up to the lower of

- 25% of the value of the fund you use to provide your benefits and
- 25% of your unused lifetime allowance.

You may be able to receive a lump sum greater than this if you have registered with HMRC for protection of your fund or lump sum rights. If you hold lump sum protection, when you decide to take benefits you will be asked to provide details when you take benefits together with a copy of your protection certificate.

Taking a pension commencement lump sum and no income does not restrict the amount you can contribute to your SIPP, however you cannot take a pension commencement lump sum with the intention of using some or all of it, to fund a large increase in pension contributions. This is known as “recycling” your lump sum and will result in significant tax charges being imposed on the value of the lump sum.

Uncrystallised funds pension lump sum (also referred to as taxable lump sum)

You also have the option of taking unrestricted lump sums from any part of your SIPP that you have not previously accessed, subject to the lifetime allowance.

This means you can take up to 100% of your pension as a lump sum, with 25% tax-free and the balance taxed at your marginal rate of income tax. You can take one-off payments whenever you like, or set up a series of regular lump sum payments.

Any funds left in your pension after the lump sum has been paid out will remain invested for you to take further lump sums or income in the future.

Once you have accessed your pension in this way the amount you can contribute to money purchase pensions, including your SIPP, will be reduced to £4,000 each tax year.

3.2 Income drawdown

If you choose to take a pension commencement lump sum from your SIPP the remaining fund will be used to provide you with a pension. If you do not choose to purchase an annuity, the funds remaining in your SIPP will be used to provide you with income drawdown benefits. These benefits will be provided either as flexi-access drawdown or, if you hold drawdown benefits that started before 6 April 2015, capped drawdown.

Drawdown pension (flexi-access drawdown)

With flexi-access drawdown your fund remains invested and you draw a pension from your fund. There is no minimum or maximum pension, so you can elect not to take any, or as much of your fund, as you wish.

Payments you receive from a drawdown pension are subject to income tax. You should make sure that you understand how much tax you may have to pay when deciding how much pension to take. Taking a high level of pension in a short period of time may mean you have to pay tax at higher rates than you were expecting.

If you decide to take a pension you can choose to take this regularly, or you can choose to take one-off payments to suit your own circumstances. This gives you the flexibility to vary, or stop, the pension you take from your fund to suit your immediate requirements.

Taking any pension under flexi-access drawdown will reduce the amount you can contribute to your SIPP and other money purchase pensions each tax year to £4,000.

If you purchase an annuity from your drawdown fund a further test against the lifetime allowance will be carried out, except where the drawdown commenced before 6th April 2006 and further drawdown funds have not been added to it since.

Drawdown pension (capped drawdown)

If you started your drawdown pension before 6 April 2015 you may be in a different form of drawdown pension called capped drawdown. This works in a similar way to flexi-access drawdown but the amount of pension you can take is subject to a maximum limit set by HMRC.

The maximum level of annual income is currently set at 150% of the Government Actuary's Department relevant annuity rate. This varies depending on your age and returns from Government securities. It is applied to the value of your pension fund at the date the fund is first used to provide drawdown pension and at each subsequent review.

The maximum pension available from your drawdown fund will be reviewed every three years until you reach age 75, and annually from then on. Until you are 75 you can elect to have the maximum pension reviewed at any anniversary of the date your fund was put into income drawdown. You must tell us that you wish to do this before the relevant anniversary.

You can move further funds into your capped drawdown fund. Whilst you remain in capped drawdown you retain the option of contributing up to £40,000 to your SIPP each tax year. You can move from capped drawdown to flexi-access drawdown at any time simply by completing our 'capped to flexi-access drawdown conversion form'.

3.3 Lifetime annuity

Purchasing a lifetime annuity involves passing your pension fund to an insurance company who, in return, agree to provide a pension income to you for the rest of your life and, if you choose, a pension income for your spouse or partner when you die.

In general with annuities there are no HMRC set limits within which you must choose the level of pension to take each year. Instead each insurance company decides what level of pension they are willing to provide to you depending on your own circumstances, the amount to be used to purchase the annuity and the type of annuity you select. The annuity offered by insurance companies can vary considerably and so it is important that you shop around to obtain the best deal.

You will need to make a number of choices regarding the type of annuity you wish to purchase. These will include

- **Level, escalating or decreasing pension income** – choosing an escalating annuity will help to protect your income against inflation, but because your income will increase in the future, the starting level of the annuity will be lower. There can be substantial differences between escalating and level annuities. When considering this you must balance the option of rising future long term income levels against lower initial income levels. You should consider factors such as your health, how long you might be receiving a pension and the long term effect of inflation. You might want to choose an annuity that allows the income to decrease if you have other income sources payable at a later time.
- **Maximum allowable contributions** - If you do choose an annuity that can decrease in value the amount you can contribute to your SIPP and other money purchase pensions will be reduced to £4,000 a year. Purchasing a traditional annuity that cannot decrease will not reduce your permitted contributions.
- **Type of escalating annuity** – if you choose to purchase an escalating annuity you will have flexibility over the level of escalation. You can usually choose for income to increase by a fixed percentage, such as 3% per annum, or by the rate of inflation (RPI). Some insurance companies may restrict the RPI increase to an upper limit. This is called limited price indexation (LPI) and provides protection as long as the long term rate of inflation is not more than the upper limit
- **Investment-linked income** – these annuities offer the potential for income to increase if investments go up. This is balanced against the risk that, if investments fall, the annuity income may fall
- **Single life or joint life** – A proportion of your annuity can be paid on your death to your surviving spouse. This is called a joint life annuity. The level of spouse's pension is usually expressed as a percentage of your annuity income. The benefits under a single life annuity will end on your death. As the benefits under a joint life annuity could continue for longer than under an annuity on your life alone the level of income will be lower

- **Guarantee periods** – provision of a guarantee period means that, if you die during the period of the guarantee, the income due for the remainder of the guarantee will be paid. In some circumstances this may be paid as a lump sum. If not, the income will be paid as a continuing pension
- **Enhanced annuity** – depending on your personal circumstances you may be eligible to receive an increased annuity. A number of factors will affect whether this is available to you. Two of the most common are your/your family's health history and where you live
- **Payment frequency and timing** – if you choose to take your annuity annually in advance the pension will be lower than if you choose to take your annuity in arrears, or monthly.

The Money Advice Service's website moneyadvice.service.org.uk/en/tools/annuities allows you to compare the annuities available to you taking into account the choices mentioned above.

4. Making your choice

Before making your choice, you should consult a financial adviser. If you need help in finding an independent financial adviser in your area you can find it at unbiased.co.uk, vouchedfor.co.uk or moneyadvice.service.org.uk/en/articles/choosing-a-financial-adviser.

You are also entitled to free, impartial guidance on your options from the Government backed Pension Wise service. You can access this online at www.pensionwise.gov.uk, book a telephone appointment by calling 0800 280 8880 or arrange a face-to-face meeting through your local Citizens Advice Bureau. This is not a substitute for full, regulated financial advice.

As we can't give you advice, we would recommend that you contact a financial adviser, or the guidance service providers, to discuss matters further

If you decide that the time is right to take benefits from your pension fund you must complete the relevant Benefit Form.

This tells us how much of your pension fund you wish to use to provide benefits ("crystallise") and how you want those benefits to be paid.

If relevant you will also be asked to provide us with details of your available lifetime allowance and any protection you may have for those benefits.

Before we can pay any benefits to you, you may need to provide us with evidence of your age. We will advise you if this is the case.

Once the relevant Benefit Form has been submitted the next steps will depend on how you have chosen to take benefits.

If you want to move your SIPP to another provider before you take benefits, you'll need to transfer the total value of your AJ Bell Youinvest SIPP – or the amount you want to use to provide benefits – to that provider. You can do this by completing a transfer-out form (rather than a Benefit form). For further information, please get in touch with us.

If you choose to take flexi-access drawdown - we will work out the level of your lump sum and the value of your remaining drawdown fund and confirm these to you. The lump sum will be paid directly into your nominated bank account and, if you have chosen to take a pension, the payments will be set up in accordance with your instructions.

Your pension payments will be taxed using the emergency tax code on a Month 1 basis until we receive confirmation of your tax code from your tax office. It is your responsibility to arrange for your tax office to provide this information to us.

Once your pension payments have been set up, it is your responsibility to ensure that sufficient cash is held in your SIPP to fund the payments.

If you started in drawdown before 6 April 2015 and have not flexibly accessed your benefits since then you may be in capped drawdown. Capped drawdown works and is taxed in a very similar way to flexi-access drawdown but the amount of pension you can take is subject to a maximum limit set by HMRC.

Uncrystallised funds pensions lump sums are lump sums that include a tax-free and a taxable element. A quarter of each lump sum is tax-free with the remainder of the payment subject to income tax.

Both the tax-free and taxable elements will be paid to you as a single lump sum. As with drawdown we may need to tax these payments using the Emergency Code until we receive details of your tax code from your tax office.

If you choose to purchase an annuity we will liaise with you, and the insurance company, so that the annuity can be purchased as quickly as possible.

You must provide us with a copy of your **annuity** quotation so that we can satisfy ourselves that an annuity is being purchased.

Funds must be sent to the insurance company as cash making it important that you arrange the sale of sufficient investments held in your SIPP. Annuity rates change daily and your individual quote will only be guaranteed for a limited period. It can take some time for the proceeds from the sale of investments to reach us. You must consider the time it will take for cash to be available when arranging your annuity.

Where your SIPP holds income producing investments, such as dividend paying equities, you must also consider the time it will take for this income to be paid to your SIPP. If you use all of the funds in your SIPP to purchase an annuity and we subsequently receive investment

income it is unlikely that we will be able to pay this across to the insurance company. It is equally important to ensure that all tax relief in respect of contributions and investment income has been paid into the SIPP.

5. Receiving your pension

5.1 How will I be paid?

We can only make payments to a UK bank or building society account held in your name (or in joint names with someone else). We cannot make payments to an account in someone else's name, to a non-UK bank account or by cheque. All payments are made in sterling.

5.2 How often can I take my pension?

Income drawdown

If you wish to receive a regular pension from your SIPP, you can do so monthly, quarterly, half yearly or annually. All regular pension payments will be sent on a fixed date of the 10th of each month. In months where this date falls on a weekend, we will send the payment on the first working day after the 10th. In all cases, payments should reach your account three working days from the payment being sent.

For us to make the payments on time, you must ensure that sufficient cash funds are available in the cash account of your SIPP by the close of business two working days before the 10th of each month.

You can also take one-off pension payments to suit your circumstances.

Uncrystallised funds pension lump sums

Taxable lump sums can also be paid monthly, quarterly, half-yearly or annually. If you are receiving regular lump sums they will be paid on the same day of the month as your first payment. You can ask us to change this date at any time.

Where the payment is due on a weekend, we'll send your lump sum on the next working day. The lump sum will normally reach your bank account three working days after we've sent it.

It is important that you make sure you have sufficient cash in your SIPP account two working days before each payment is due.

One-off lump sums can be paid at any time.

Annuity

If you purchase an annuity the pension frequency will be agreed with the insurance company at the point of purchase.

5.3 Will the payments I receive be taxed?

Income drawdown

Yes. The payments are taxed as pension income under the PAYE system. Your pension will initially be taxed using the emergency tax code on a Month 1 basis. We will change the tax code if we receive a tax coding notice from HMRC. You must arrange this via your tax office.

You will receive an advice slip confirming your gross pension, tax and net pension shortly after each pension payment. We will also send a P60 to you annually confirming the pension and tax that have been paid in each tax year.

Uncrystallised funds pension lump sums

Three quarters of each lump sum payment is subject to income tax. Both one-off and regular payments may be subject to emergency rate tax on a Month 1 basis until we receive a tax coding notice, which you will need to arrange with HMRC.

Annuity

If you purchase an annuity with all or part of your SIPP the annuity will also be taxed under the PAYE system. The insurance company should give you further information on this.

5.4 How do I reclaim tax that is overpaid?

If you take a one-off payment, it is likely that tax will be overpaid as the tax system treats this as the first in a series of regular monthly payments. When this is the case HMRC will usually automatically correct the tax position at the end of the year as part of the normal PAYE process.

Alternatively you can make an in-year claim by completing the relevant form.

If you have emptied your pension fund you should use:

- P50Z if you have no other PAYE or pension income (other than state pension)
- P53Z if you have other PAYE or pension income

If you have not emptied your pension fund, and no other withdrawals are to be made within the tax year, you should use P55.

5.5 Can I change the level of income I am receiving?

Yes. You are free to vary the level of payments, or stop taking an income at any time.

Annuity

If you purchase an annuity you will establish the level of pension with the insurance company at the point of purchase. The level of pension can be set up to remain level or to vary over time.

6. Death benefits

When you die your benefits will be paid out to your beneficiaries. The benefits will be paid either as a lump sum or as an ongoing pension.

The options, and tax treatment of those options, are as follows.

6.1 Death benefits payable from your SIPP

Death benefits may be paid as a lump sum or applied to provide pension benefits for a beneficiary, either under income withdrawal or by annuity purchase.

Death benefits are payable at the discretion of AJ Bell Management Limited, as the Scheme Administrator, of your SIPP. You may nominate the individuals you wish to receive benefits and your wishes will be taken into account. You may complete a new nomination at any time.

Lump sums paid on death are normally free of any Inheritance Tax but we cannot guarantee that this will be the case.

Death benefits are normally paid tax-free from the funds of individuals who died before age 75, regardless of whether that individual was taking benefits or not, and can be paid as a lump sum or pension. When the deceased was over 75, death benefits will usually be taxed at the recipient's marginal rate of income tax. If a lump sum is paid to a trust when death occurs over 75 it will be taxed at 45%

6.2 Lifetime annuity

The death benefits payable, if any, will be determined by the terms of the annuity contract, for example these might include the continued payment of a pension to your spouse/dependant through a joint life annuity, or the payment of a lump sum if your annuity payments are guaranteed.

7. Charges

There are a number of additional SIPP charges that may apply when you decide to take benefits. These are

	Charge – (VAT is payable in addition)
One-off payment of a tax free lump sum, income payment, uncrystallised funds pension lump sum or small lump sum	£25
Regular income drawdown payments or regular uncrystallised funds pension lump sum payments	£100 p.a.
Crystallised funds where no income is paid	No charge
Purchase an annuity	£150
Review of capped drawdown (includes triennial/annual reviews and reviews when additional funds are moved into drawdown)	£75
Payment of benefits on death or if your pension is to be split/shared as part of a divorce	Time/cost basis. Minimum charge expected to be £250
Closure of your SIPP through taking flexi-access drawdown payments or uncrystallised funds pension lump sums within 12 months of opening your SIPP	£295
Transfer out to another UK registered pension scheme in cash	£75
Transfer out to another UK registered pension scheme in specie	£25 per holding (no VAT) plus £75
Transfer out to an overseas pension scheme (QROPS)	£250
Payment by CHAPS	£25

Notes:

The annual charge will be payable when the SIPP is first put into drawdown if you are to receive a regular income or when the regular income or regular uncrystallised funds pension lump sums are set up, and on each subsequent anniversary.

The closure charge will apply where you have reduced the value of your SIPP to £1,000 or less through taking flexi-access drawdown or uncrystallised funds pension lump sums within 12 months of opening your SIPP. We will be entitled to close your account and pay the remaining funds to you, after deducting our charges.

Where we make a one-off payment by CHAPS at your request please note that the CHAPS charge will apply in addition to the one-off payment charge.

Your insurance company will confirm details of any charges explicitly involved in the provision of your annuity. Typically, the charges for annuities are made implicitly through a reduction in the annuity rates available to their customers.

8. Miscellaneous SIPP questions

8.1 Is there a limit on the amount of my benefits?

There is no limit on the benefits that may be provided from your SIPP.

However, if the value of your pension savings, under all registered pension schemes, is more than the lifetime allowance (currently £1.03 million 2018/19) there will be an additional tax charge called the lifetime allowance charge.

If the excess funds are paid as a taxable pension the lifetime allowance charge is 25% of the excess fund used to provide the pension. If the excess funds are paid as a lump sum the lifetime allowance charge is 55% of the excess. We will deduct the tax from your SIPP before benefits are paid to you, or you purchase an annuity, and pay the tax to HMRC.

If you have registered with HMRC for protection of your pension savings, this may reduce or eliminate any lifetime allowance charges.

8.2 Can taking money from my SIPP impact my state benefits?

Possibly, yes. If you currently qualify for state benefits we strongly recommend that you speak with Pension Wise for guidance or contact the Department for Work and Pensions to establish how you may be affected before you take any money out of your SIPP.

8.3 Can I cancel my decision to take benefits?

On the first occasion you choose to take benefits from your SIPP, you will have the right to cancel this option within 30 days of the date you take benefits. You will have to return any lump sum or income that has been paid to you.

You can exercise your right to cancel by writing to us at

AJ Bell Youinvest
4 Exchange Quay
Salford Quays
Manchester
M5 3EE

Email: enquiry@youinvest.co.uk

quoting your name and SIPP reference number.

If you do not exercise your cancellation rights, you will not be able to cancel your choice to take benefits at a later date. You will be able to transfer your benefits to another registered pension scheme or purchase an annuity.

Cancellation rights are also available if you purchase an annuity. The insurance company will provide more details.

8.4 Once I take drawdown, can I transfer my SIPP to another provider?

Yes, you can transfer your SIPP to another drawdown provider at any time. Just keep in mind that, under HMRC rules, you can only transfer your entire drawdown fund to another provider – you can't transfer part of it.

8.5 Will you pay any benefits not described above?

Most forms of authorised benefit payment are covered in this benefits guide. We cannot be compelled to make a payment that is not authorised by Finance Act 2004.

Both the recipient of any unauthorised payment, and the scheme, would be subject to very significant tax charges.

8.6 Can you provide advice regarding my benefit options?

Neither AJ Bell Management Limited nor Sippdeal Trustees Limited can provide any advice in relation to

- Whether you should buy an annuity, enter drawdown pension or choose taxable lump sums, or defer your benefit decision;
- The level of pension benefits you should take from your SIPP
- Whether you should transfer pension benefits into, or out of, your SIPP
- Any investment, tax or financial services related matters.

If you need advice you must contact a suitably qualified financial adviser. Your adviser will provide you with details of the cost of the advice.

If you need further information about finding an independent financial adviser in your area you can find it at unbiased.co.uk, vouchedfor.co.uk or moneyadvice.service.org.uk/en/articles/choosing-a-financial-adviser.

You are also entitled to free, impartial guidance on your options from the Government backed Pension Wise service. You can access this online at www.pensionwise.gov.uk, book a telephone appointment by calling 0800 280 8880 or arrange a face-to-face meeting through your local Citizens Advice Bureau. This is not a substitute for full, regulated financial advice.

As we cannot give you advice we would recommend that you contact a financial adviser, or Pension Wise, to discuss matters further.

8.7 Will taking benefits affect my creditors?

Funds held in a pension are protected from creditors by law. Any monies you withdraw from your pension and hold in a personal bank account or other personal investment will not be protected in the same way. This means that, in the event of you going bankrupt, creditors may be entitled to money you have withdrawn from your pension.

8.8 Can I withdraw benefits to invest elsewhere?

Once you reach the age of 55 you can withdraw funds to invest as you wish. However, you should be aware that scams exist. Look out for warning signs such as cold calls, unrealistic returns, being rushed into signing documents, and advisers who are not registered with the FCA recommending investments to you.

It is not possible to withdraw funds from your pension before age 55 unless you are in ill health or have a protected pension age. If you are approached by someone claiming a loophole to allow you early access, it is likely to be a scam.

You should also consider the charge that will apply to any alternative investment, and that Income and Capital Gains Tax may be payable, which do not apply to investments held within your pension.

8.9 What if I have a complaint?

Customer satisfaction is very important to us and if you do have any cause to complain about the services provided there are clear procedures laid down by the Financial Conduct Authority to ensure that your complaint is dealt with fairly.

Please contact us a in the first instance at
AJ Bell Youinvest
4 Exchange Quay
Salford Quays
Manchester
M5 3EE

Tel: 0345 54 32 600

Email: enquiry@youinvest.co.uk

If you are not satisfied with our response, you may refer your complaint to the Pensions Ombudsman, if your complaint concerns the administration of your SIPP.

Help is also available from The Pensions Advisory Service (TPAS) who can advise you on how to complain and may be able to sort the matter out, without the need for the Ombudsman to get involved. The contact details for both the Pensions Ombudsman and TPAS are as follows

10 South Colonnade
Canary Wharf
E14 4PU

Tel: 020 7630 2200

The Pensions Advisory Service
11 Belgrave Road
London
SW1V 1RB

Tel: 0300 123 1047

All other complaints may be referred free of charge to Financial Ombudsman Service Exchange Tower London E14 9SR

Tel: 0300 123 9123

Website: www.financial-ombudsman.org.uk

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

8.10 What if I have any further questions?

You must contact us at the following address or by email enquiry@youinvest.co.uk.

AJ Bell Youinvest 4 Exchange Quay, Salford Quays, Manchester M5 3EE

IMPORTANT

Full details of the legally binding contract between you and AJ Bell Management Limited are included in the Terms & Conditions, as amended from time to time. A copy is available from our website www.youinvest.co.uk or by calling us on 0345 54 32 600.

The law of England and Wales will apply in all legal disputes.

If you would like a copy of this or any other item of our literature in large print, Braille or in audio format, please contact us on 0345 54 32 600 or by email enquiry@youinvest.co.uk.

All our literature and future communication to you will be in English.