



SIPP

Key features

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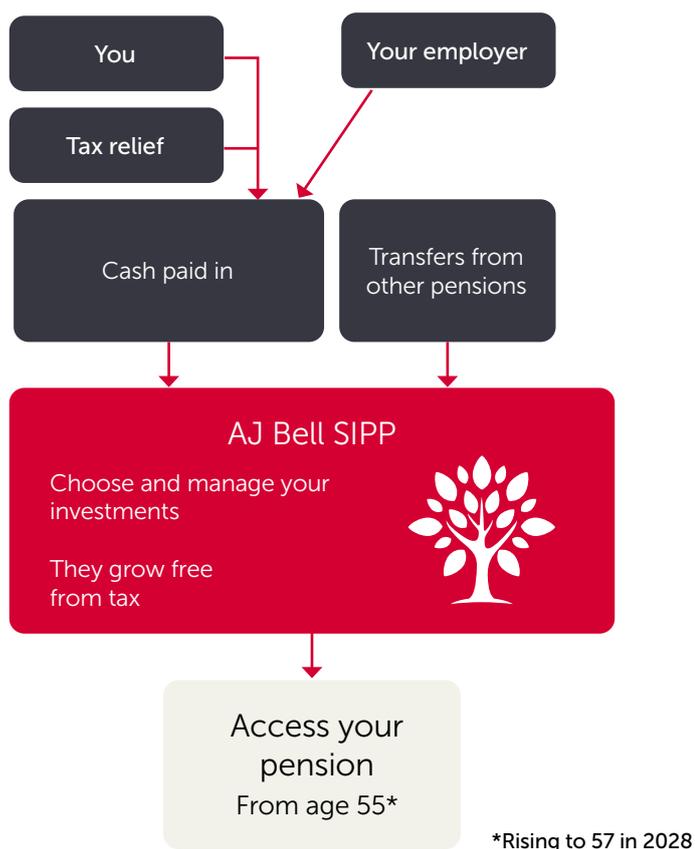
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How the AJ Bell SIPP works



Aims

An AJ Bell SIPP aims to do the following:

- Help you save tax-efficiently for your retirement – by paying money in or transferring in from other pensions
- Give you the freedom to choose from a wide range of investments, including the Pension Builder fund, to invest your pension pot where you choose, and manage your portfolio yourself
- The Pension Builder fund is a standard, low-cost option for those who might need a helping hand getting started when investing in their pension. It isn't tailored to your circumstances and won't be right for everyone
- Provide you with an income – in the form of lump sums and/or regular income – when you decide the time is right
- Provide your chosen beneficiaries with lump sums and income on your death

Your commitment

When you open an AJ Bell SIPP, you commit to do the following:

- Before you open a SIPP with us, make sure you understand the features, benefits and risks to confirm that it meets your needs and expectations
- Take responsibility for deciding how your SIPP is invested
- Make sure the regular or single contributions you pay into your SIPP are enough to meet your needs in retirement
- Agree to be bound by our SIPP's terms and conditions
- Be responsible for arranging any transfers you want to make from another pension scheme into your SIPP
- Wait until age 55 – increasing to age 57 from 2028 – before taking money from your SIPP. Only in rare instances (e.g. serious ill health) is earlier access allowed
- Agree to pay the charges and rates associated with your SIPP, and keep enough cash in your SIPP to cover these ongoing charges

Risks

The risks associated with your SIPP fall into three main categories. These are the money you pay in, the investments you make, and the money you withdraw. We explore them in turn below.

When deciding whether our SIPP is right for you, you should also consider the effect that risk factors beyond your control may have on your pension plans. These include the pension tax rules, inflation, interest rates, annuity rates and charges. For further information, visit moneyadvice.service.org.uk.

Payments to your SIPP

- When you transfer a pension from another provider to your SIPP, you may give up guarantees over the way you access your pension, the amount you receive and any increases that apply to your pension in the future
- When transferring a pension to your SIPP, your existing provider may apply a penalty, or a reduction to the value of your pension
- The amount you pay into your SIPP will affect the eventual size of your pension. If you delay paying into your SIPP, your investment growth may be lower as a result
- The rules relating to the tax relief you receive on contributions may change in the future

Investments within your SIPP

- The value of the investments in your SIPP and the income you receive from them can fall as well as rise. That means you may get back less than the amount you invested
- Past performance is not an indication of future performance. Some investments need to be held for the long term before you achieve a return
- If the value of your SIPP is small and/or you deal frequently in small amounts, you may pay disproportionately high dealing charges – eroding the value of your SIPP
- The capital gains and income tax rules may change in the future
- Your investment returns may be lower, and the charges may be higher, than indicated by any illustrations you receive
- With your SIPP you can access a wide range of investments including individual shares funds and overseas investments. Keep in mind that some investments will carry a far higher degree of risk than others
- The Pension Builder fund we offer is not tailored to your individual needs or aims and isn't a personal recommendation for your investments. You may want to talk to a suitable financial adviser who can help you choose investments which are tailored to you

Withdrawals from your SIPP

- If you start accessing your pension earlier than you originally intended, the amount you can take may be lower than expected and may not meet your retirement needs
- If you take an income from your SIPP, this is not fixed and isn't guaranteed for life. If a guaranteed retirement income is important to you, you should consider buying an annuity. For more about annuities, you can read our 'SIPP – a guide to accessing your pension', on the 'Free guides' section of our website
- If investment returns are poor and you take a high level of income, your SIPP will fall in value. If your SIPP runs out of funds, you could be reliant on other sources of income for the rest of your retirement
- You have to pay income tax on money you take from your SIPP. So if you make significant withdrawals in a short period of time, you may have to pay a large amount of tax
- Before you withdraw, keep in mind that cash and investments held in your SIPP benefit from significant tax advantages that don't apply elsewhere

A stakeholder pension may meet your needs at least as well as a SIPP. Widely available, stakeholder pensions have limited investment options, for which the government has set minimum standards to be met by providers covering areas such as charges, minimum payment levels and terms and conditions.

Having considered these risks, if you have any doubts about whether an AJ Bell SIPP is right for you, you need to seek advice from a suitably qualified professional adviser.

Questions and answers

Money in

Can I have a SIPP?

You can have a SIPP with us if you're resident in the UK.

Who can pay into my SIPP?

You can pay contributions into your SIPP, and if you're employed, your employer can too. We can't accept contributions paid by any other person on your behalf, including your spouse or other relative.

- Once your SIPP is set up, you can pay single contributions and/or increase/decrease your regular contributions at any time, subject only to the minimum contribution levels described below
- Once you reach age 75, we can no longer accept any contributions you pay yourself. But if you're still employed, we can accept contributions your employer pays
- The rules are different for a SIPP for a child. Anyone (e.g. a parent, guardian or grandparent) can pay into a child's SIPP, and it will be treated as a personal contribution

How can I pay into my SIPP?

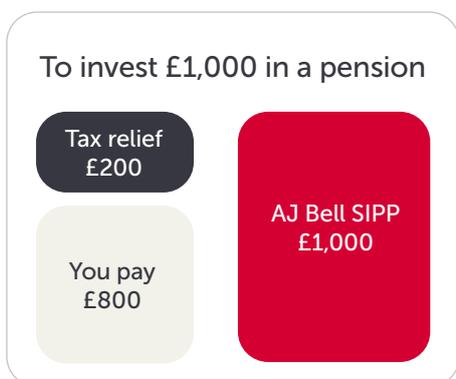
When making single contributions, you can pay by debit card or electronic transfer. If your employer is making a single contribution, they can pay by cheque or electronic transfer. Regular contributions must be paid monthly by direct debit. Contributions paid by direct debit will be taken on the first working day of the month.

You can't pay contributions in the form of shares or other investments.

What is tax relief?

The government will top up what you pay into your SIPP with tax relief. It's one of the main financial advantages of saving into a pension. Here's how it works.

- If you're under 75, you receive tax relief on all personal contributions you make, up to a maximum of 100% of your UK relevant earnings, or £3,600 – whichever is higher. The amount you can pay in is also regulated by the annual allowance (see below)
- All personal contributions are payable net of basic rate tax (20% for 2024/25) So for example, if you pay a net contribution of £800, we'll reclaim £200 from HM Revenue & Customs (HMRC) and credit it to your SIPP cash account
- This basic-rate income tax will be credited to your SIPP cash account after 6-11 weeks, depending on when you make the contribution
- We'll only accept contributions up to the limit for tax relief, above. If you're no longer entitled to tax relief on your contributions, you must tell us within 30 days.
- Your employer can also make contributions to your SIPP, which don't count towards your tax relief limit but do count towards the annual allowance. These are payable gross, and the employer claims their own tax relief directly when they contribute to your SIPP



Amount you pay	Government adds 20% tax relief	Total in your SIPP
£800	£200	£1,000
£4,000	£1,000	£5,000
£8,000	£2,000	£10,000
£32,000	£8,000	£40,000

Higher and additional rate tax payers can claim extra tax relief via their Self-Assessment tax return. If you do not normally complete a return you can contact HMRC directly [link](#)

Is there a limit on what can be paid to my SIPP?

When paying into your SIPP by Direct Debit, you can make a minimum monthly contribution of £25 (net) and a maximum of £4,000 (net). If you would prefer to make an initial single (one-off) contribution, the minimum you can pay in is £500 (net). If you transfer a pension to your SIPP, you don't need to make any contributions.

The maximum you can contribute and benefit from tax relief on in any one tax year is restricted by the **annual allowance**, which is a limit set by HMRC to restrict tax relief on large contributions. For 2024/25, the annual allowance is £60,000.

The annual allowance applies:

- To all pension contributions made by you, your employer and any other person on your behalf (including the tax relief from HMRC)
- To all pension schemes of which you are a member

If the total of

- the contributions you pay to registered pension schemes, or those on your behalf (including any by an employer); and
- the increase in the value of your lump sum and pension under any defined benefit schemes is greater than £60,000, you'll exceed the annual allowance.

If you've used up the annual allowance in the current tax year but didn't use all of your annual allowance in any of the last three tax years, you can **carry it forward** – providing you were a member of a pension scheme during the year you want to carry forward from. If your contributions still exceed the annual allowance, you'll have to pay a tax charge on the excess.

In some circumstances, your annual allowance may be less than £60,000. There are two main reasons this might happen:

1. For the 2024/25 tax year, if you're a high-income individual, your annual allowance will be tapered. This means for every £2 of 'adjusted income' above £260,000, your annual allowance is reduced by £1. The maximum reduction is £50,000, meaning that if you have adjusted income over £360,000, you'll have an annual allowance of £10,000. (Adjusted income means all income plus any employer pension contributions paid in the relevant tax year.) For more information, please read our ['Guide to annual allowance tapering'](#).
2. Once you've flexibly accessed your pension, an annual allowance of £10,000 will apply to contributions to all 'money purchase' pensions, including your SIPP. In addition, you will no longer be able to carry forward unused annual allowance.

Can I pay into my SIPP if I'm entitled to enhanced protection or one of the types of fixed protection?

If you registered with HMRC for enhanced protection (for pension rights built up before 6 April 2006), or one of the types of fixed protection before 15 March 2023, you will not lose this if you pay into your SIPP.

Transfers

Can I transfer my existing pension into my SIPP?

Yes, you can transfer from any UK-registered pension scheme to your SIPP. Here is what you need to think about:

- You'll be responsible for arranging the transfer from the transferring scheme. And it may take some time for us to receive the transfer payment from your existing provider
- You can transfer your pension in cash, or transfer cash and investments held provided they are investments we allow. If there is a cheaper version of any fund you transfer, we'll convert it when we receive the fund
- Transferring out of a private sector final salary (also known as 'defined benefit') pension scheme means giving up a guaranteed pension. Before transferring most final salary pensions, you'll need to take regulated financial advice. To transfer a final salary pension to your SIPP worth £30,000 or more, a suitably qualified financial adviser must first provide a recommendation that the transfer is right for you.
- You're not allowed to transfer from most public sector pension schemes to your SIPP
- If you've started drawdown under a pension scheme, you can still transfer it to your SIPP. If you transfer a capped drawdown scheme, the original maximum income limit and pension year will continue to apply once the transfer is complete, although you have the option to convert to flexi-access drawdown if you want to

Can I transfer my SIPP to another pension?

Yes, you can transfer the value of your SIPP to another UK registered pension scheme, or to a qualifying recognised overseas pension scheme (QROPS), at any time. Keep the following in mind:

- You may be able to transfer your investments or you can transfer the value as cash – in which case you'll have to sell all of the investments held under your SIPP before the transfer is completed
- If you've started accessing your pension from your SIPP via income drawdown, you must transfer the whole of the drawdown fund to your new scheme. If you have uncrystallised funds under your SIPP (i.e. funds from which you are yet to access your pension), you can choose to transfer all, or only a part, of those uncrystallised funds to another pension scheme

- If you're transferring to a QROPS, a test against your overseas transfer allowance must be carried out before the transfer is made.

If you're in any doubt about the benefit of transferring, we recommend you take advice from a suitably qualified, financial adviser before starting the transfer.

Investments

What can I invest in?

You can invest in a wide range of investments including shares, funds, investment trusts, ETFs (exchange traded funds), bonds and gilts.

For more information, see the [Investment Options](#) on our website. Not sure what to invest in? You could consider the [Pension Builder](#) fund, designed to help you save for retirement.

Can I make regular investments?

Yes, you can. Our regular investment service allows you to invest monthly in a wide range of investments, including popular shares (including the FTSE 350), selected funds, investment trusts and ETFs. This is how it works:

- Once you've set a regular investment, we'll automatically make your deals on the 10th calendar day of each month (or the next working day)
- For us to make your deals, there must be sufficient money in your cash account to pay for them. If there isn't, we won't make your deals on that given month, and will try again the following month
- You're also able to amend your regular investment instructions up until midnight on the 9th calendar day of each month (or midnight on the day before the regular investment dealing day)

Do I pay tax on any dividends or gains within my portfolio?

No, you don't need to pay UK tax on any dividends or capital gains. We don't offer a foreign withholding tax reclaim service, though income from US or Canadian shares will receive income taxed at source at the appropriate beneficial treaty rate.

Can you help me choose investments?

No – we aren't authorised to give advice to help you choose your investments.

If you need some help, you can visit our 'Investment Ideas' page for a range of time-saving investment solutions from our in-house experts.

How do I get a valuation of my SIPP?

You can see how much your SIPP is worth 24 hours a day, 365 days a year via our website or our mobile app. An online cash transaction summary is also available.

Is there anything I can't invest in?

Yes. Your SIPP cannot invest directly in:

- commercial or residential property
- insurance company bonds
- private (unquoted) company shares
- personal chattels (e.g. works of art, cars etc.)
- loans
- gold bullion
- any activity that could be regarded as trading.

Also, you can't borrow money under your SIPP.

Money out

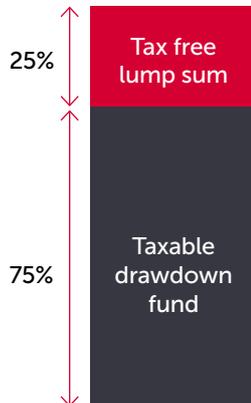
When can I start to access my pension?

You can access your pension at any time from age 55 (57 from 6 April 2028), whether or not you continue to work. It may be possible to access your SIPP earlier if you're in serious ill health, or if you transferred from an existing pension with a lower pension age (provided the transfer meets certain HMRC requirements). For the charges for accessing your pension, please read our charges and rates, available on our website.

You have three options when accessing your pension:

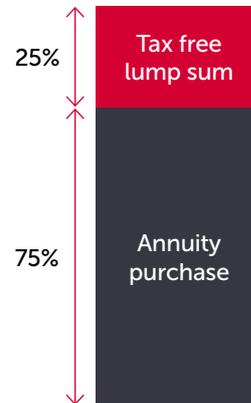
Option 1

- Take 25% of your fund tax free
- Use 75% of your fund to provide taxable income through 'Flexi-access drawdown'
- Your funds remain invested. You don't have to take income, but you can make unlimited withdrawals at any time, until your fund is exhausted.
- And you can buy an annuity at any time.



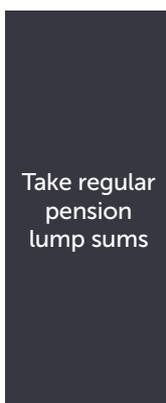
Option 2

- Take 25% of your fund tax free
- Use 75% of your fund to buy a taxable annuity from an insurance company



Option 3

- Take regular lump sums that are 25% tax free and 75% taxed. These are also known as 'uncrystallised funds pension lump sums'
- Regular pension lump sums can only be taken from funds that you haven't previously accessed.



You don't have to take all your pension at once. And it's possible to take more than one option.

For example, say you have £200,000 in your SIPP. You could exercise option 1 for £100,000, giving you a £25,000 tax free lump sum now and £75,000 in flexi-access drawdown to provide you with an income when you need it.

At a later date, you could then choose to exercise option 2 to take a further £25,000 tax free lump sum buying an annuity with the remaining £75,000 to provide you with a guaranteed income.



Pension Wise is a free and impartial guidance service which can help you understand your options.

It's available online at www.moneyhelper.org.uk/pensionwise, over the phone from MoneyHelper on 0300 330 1001, and face-to-face from Citizens Advice. This guidance is not a substitute for full financial advice.

As we cannot give you advice, we would recommend that you contact a financial adviser, or the guidance service providers, to discuss matters further when you decide to take your pension.

Do I pay tax on pension payments?

All pensions paid to you under drawdown will generally be subject to income tax. We'll deduct the tax due before paying your pension. For pension lump sums, 75% of each payment will be subject to income tax.

When receiving a drawdown pension following the death of another person (for example, your spouse), it won't normally be subject to tax if the deceased was younger than 75 when they died.

For more information on your options for accessing your pension, including how to start the process, you can read 'SIPP – a guide to accessing your pension', which you'll find on the 'Free guides' section of our website.

What are the limits for tax-free lump sums?

The tax-free lump sums you can take during your lifetime are limited to the lump sum allowance of £268,275. The 25% tax-free part of an uncrystallised funds pension lump sum also counts towards this.

Tax-free lump sum death benefits are limited to the lump sum and death benefit allowance of £1,073,100. This is also reduced by any tax-free lump sums you take during your lifetime.

Prior to the 2024/25 tax year, different rules were in place, and pension benefits were limited by the lifetime allowance. If you've accessed another pension before 6 April 2024, we may need to do a one-off transitional calculation when you first come to access your SIPP.

Do I have to access my pension?

No. You don't need to take any lump sums or pension payments from your SIPP at any time.

What happens to my pension when I die?

When you die, your SIPP may be paid as a lump sum to a beneficiary, or provide a pension for them – either via income drawdown or buying an annuity. As the Scheme Administrator, AJ Bell Management Limited has discretion over the distribution of payments after your death. You can nominate beneficiaries so we take your wishes into account.

- If you die before the age of 75, payments to your beneficiaries (whether a lump sum or pension) will normally be tax free, regardless of whether you've accessed your pension
- If you die aged 75 or older, payments to your beneficiaries will normally be taxed at the recipient's marginal rate of income tax
- Lump sums paid on death are normally free of any inheritance tax, but this isn't guaranteed

Charges and rates

What are the charges and rates for my SIPP?

Please see ajbell.co.uk/sipp/charges-and-rates for details of our charges. You can find information on the interest rates we pay on cash at: ajbell.co.uk/charges-and-rates/interest-rates.

Further information

Can you give me advice?

No – whilst we can give you information, we aren't able to provide you with any advice on financial services or tax related matters or any other advice concerning your SIPP and the investments in it. If you need any advice, please contact a suitably qualified financial adviser.

Guidance is available from the free government service MoneyHelper, but this will not be financial, or be able to recommend the best course of action for your circumstances.

How secure is my money?

We're part of AJ Bell, one of the largest providers of low cost, online investment platforms and stockbroker services in the UK, with assets under administration of £81.6 billion and 499,000 customers.

AJ Bell Management Limited (the SIPP scheme administrator) is authorised and regulated by the Financial Conduct Authority.

The investments held in your SIPP are administered by AJ Bell Securities Limited. AJ Bell Securities Limited is a member of the London Stock Exchange and is authorised and regulated by the Financial Conduct Authority.

Is my SIPP covered by the government's financial compensation scheme?

The Financial Services Compensation Scheme (FSCS) can provide compensation, if firms are unable to meet claims made against them. The FSCS operates schemes for different types of products and services, with a maximum limit for cash deposits and investments of up to £85,000 per institution, per individual. Further information about compensation is available from the Financial Services Compensation Scheme at [fscs.org.uk](https://www.fscs.org.uk).

Cash or investments held under a SIPP are held subject to the trust deed and rules of the scheme. As trust assets they are ring-fenced from the assets of the SIPP scheme administrator.

For cash, the maximum claim that can be made is £85,000 per banking institution, per individual. Find out more about how we hold your SIPP's cash [here](#).

For investments, the maximum amount of compensation available is £85,000 per investment, per individual, provided the investment itself is authorised by the Financial Conduct Authority.

Keep in mind that the level of compensation you would receive would depend on whether you hold any additional money, or investments, directly with the same bank or investment firm as you do in your SIPP.

What if I change my mind?

You can cancel your SIPP if you change your mind, as long as you do it within 30 days of the date you receive our email confirming your SIPP has been opened. You can transfer out to another provider at any time.

You're also able to cancel transfer payments, and your decision to access your pension. You have 30 days from the date that you receive our email confirming your transfer, or your intention to access your pension, to exercise your right to cancel.

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

AJ Bell
4 Exchange Quay
Salford Quays
Manchester
M5 3EE

Email: help@ajbell.co.uk

- You'll need to quote your name and SIPP account number, and you must state whether you want to cancel your SIPP, cancel a specific transfer, or cancel your first request to access your pension
- Keep in mind that if you make an investment during the 30-day cancellation period, you'll lose your cancellation rights. Losing your cancellation rights means you can't cancel your SIPP, contributions, or transfers.

What other terms and conditions apply?

Our Terms and conditions, available at ajbell.co.uk/terms-and-conditions, set out the full terms and conditions for your SIPP.

What rules govern your SIPP?

The scheme is governed by a trust deed and rules, which are amended from time to time.

If there is any discrepancy between the key features and the trust deed and rules, the trust deed and rules will prevail. You can download a PDF copy of our 'Scheme Rules' from ajbell.co.uk/key-features-documents.

What if I have a complaint?

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

If you have a complaint, please contact us at:

AJ Bell
4 Exchange Quay
Salford Quays
Manchester
M5 3EE

Tel: 0345 54 32 600

Email: help@ajbell.co.uk

If your complaint is about the administration of your SIPP, and you're not satisfied with our response, you may refer your complaint to the Pensions Ombudsman.

Help is also available from MoneyHelper, 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 MoneyHelper are as follows:

The Pensions Ombudsman	MoneyHelper
10 South Colonnade	120 Holborn
Canary Wharf	London
E14 4PU	EC1N 2TD
Tel: 020 7630 2200	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: financial-ombudsman.org.uk
Making a complaint will not affect your right to take legal proceedings.

What if I have any further questions?

You can email us at help@ajbell.co.uk, phone us on 0345 54 32 600, or write to us at:
AJ Bell
4 Exchange Quay
Salford Quays
Manchester
M5 3EE

Important notes

The information contained in this key features document is provided based on our understanding of current law, practice and taxation which may be subject to change.

Full details of the legally binding contract between you and AJ Bell Management Limited are included in our SIPP 'Terms and Conditions' – available from ajbell.co.uk/terms-and-conditions

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: help@ajbell.co.uk.

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