

FOCUS

Issue 59 – May 2011

Talbot & Muir is an independent company providing specialised pensions administration services and technical information for SSASs and SIPPs.

New Product Launch - Flexible Retirement Account – 1st June 2011

As we discussed in [FOCUS issue 57](#), we are delighted to announce the launch of our Flexible Retirement Account (FRA) from **1st June 2011**.

FRA will have the following features and benefits for your clients:

- **Scheme Pension** – for the first time through a SIPP we will be offering the potential for your clients to generate a higher income than Capped Drawdown.
- **Flexible Drawdown** – the flexibility for your clients to take what they want when they want from their pension from age 55 subject to satisfying the Minimum Income Requirement.
- **Capped Drawdown** – for those that don't want Scheme Pension or who don't qualify for Flexible Drawdown, Capped Drawdown gives your clients flexibility and control over the decumulation phase of their pension. Remember capped drawdown rates decrease on **6th June** so if any of your clients are looking at taking benefits soon then acting before then will secure them a higher maximum income for the next 3 years.
- **Individual Trust Deed** – this gives your clients a SIPP registered with HMRC directly rather than the Master Trust solution, allowing you to build and decumulate bespoke pensions for your clients with all HMRC allowable asset classes available for investment and all HMRC allowable retirement options available to your clients.
- **Bypass Trust** – can reduce or eliminate clients inheritance tax liabilities.
- **Protected & Non Protected Rights** – all of your clients pension savings can be consolidated in to one wrapper with 1000 segments.
- **Full Self Investment** – allowing you and the client the freedom to invest in any HMRC permitted asset class and if required utilise gearing.
- **Cradle to Grave administration service** – giving your practice a dedicated administrator to provide you and your clients with accuracy and efficiency of service.

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Your clients can switch from the Elite Retirement Account (ERA) to our new Flexible Retirement Account with no exit penalties or wind up costs.

The following is a fee comparison between the ERA and our new FRA:

<u>Getting Started</u>		£	£
		<u>ERA</u>	<u>FRA</u>
Establishment Fee:		295	495
Annual Fee:	Single Asset	395	445
	Multi Asset	445	545
<u>Taking Benefits</u>			
Capped Drawdown:	Calc of max amount	125	125
	Annual fee	150	150
	Additional tranches put into C.D	75	75
Flexible Drawdown:	Registering for F.D.	125	125
	Annual fee	150	200
	Additional tranches put into F.D.	75	75
	Exhausting fund under F.D.	125	125
Scheme Pension:	Calculating & Establishing S.P.	N/A	395 or 595 *
	Annual fee for maintaining S.P. and processing payroll	N/A	150
	Benefit calculation review	N/A	150 or 350 **

* £395 assumes NO bespoke underwriting is required. Where bespoke underwriting is required the fee will be £595.

** Benefit calculation review must take place at least every 3 years. £150 assumes NO bespoke underwriting is required. Where bespoke underwriting is required the fee will be £350.

As always, we would be delighted to discuss with you how you and your business can take advantage of the opportunities that FRA and the new pension legislation have presented. This can be at your convenience via email, phone, or face-to-face with one of our consultants. Please call or email Jonathan Hurst (details below) to arrange this.

We would be delighted to hear from you on any subject relating to SSAS or SIPP. Please contact:

Jonathan Hurst (Consultant Support)
0115 841 5000 or jonathan.hurst@talbotmuir.co.uk

Christopher Marshall (Pensions Technical Co-ordinator)
0115 841 5000 or christopher.marshall@talbotmuir.co.uk

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