

Simple Retirement Account

Schedule of fees and services

This document helps you understand the fees for establishing and administering a Simple Retirement Account. It also provides you with a comprehensive guide to all transaction costs, and answers frequently asked questions about our charges. All fees are subject to VAT

Example scenarios

Getting started

An adviser recommends a SIPP for a client. The client has three pension funds with other providers which will all be transferred as cash. In this scenario, the client's adviser is happy to facilitate the transfer which means that he has requested pension discharge forms from the current providers and, once received, sends them off to the scheme administrator.

The SIPP administrator establishes the Simple Retirement Account and sets up a bank account. Within a short period of time the other providers transfer their funds to the administrator, who deposits them in the SIPP bank account. The administrator tells the adviser when each fund has been transferred, and once the last one has arrived the adviser implements the investment strategy he has agreed with his client.

What would the costs be for this?

Initial costs	
SIPP establishment	Nil
Transfer in – adviser handling the forms	Nil
SIPP annual administration fee – in advance	£250
Total	£250
Ongoing costs	
SIPP annual administration fee	£250
Total per annum	£250

All fees are subject to VAT.

Taking benefits

After several years, the client decides to start drawing benefits from his SIPP. He decides to take his maximum allowed Pension Commencement Lump Sum along with an income, paid monthly. This is known as withdrawing income via Flexi-Access Drawdown.

What would the costs be for this?

Initial costs	
Establishing 1 st tranche of Flexi-Access Drawdown	£125
Annual Drawdown charge	£150
Total	£275
Ongoing costs	
Additional tranche brought into Flexi-Access Drawdown	£75
SIPP annual administration fee	£250
Annual drawdown charge	£150
Total per annum	£400

All fees are subject to VAT.

Detailed schedule of fees

Please also see the frequently asked questions, which also form part of this schedule of fees. All fees are subject to VAT.

	Fee	When is the fee taken?
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Plan establishment

Establishment fee	Nil	
Establish an additional arrangement	£100	Upon completion of transaction

Annual fees

Annual administration fee	£250	In advance
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Benefits and payments

Annual Drawdown fee ¹	£150	In advance
Additional tranche of Capped Drawdown	£75	Upon completion of transaction
Recalculation of HMRC maximum income under Capped Drawdown	£125	Upon completion of transaction
Establishing Flexi-Access Drawdown	£125	Upon completion of transaction

Additional tranche of Flexi-Access Drawdown	£75	Upon completion of transaction
Uncrystallised Funds Pension Lump Sum (UFPLS) payment	£200	Upon completion of the transaction
Exhausting the fund ²	£125	In advance
Annuity purchase	£150	Upon completion of transaction
Lump sum death benefit payment	£150	Upon completion of transaction

¹ Payable annually after entering Flexi-Access or Capped Drawdown

² Payable when fund is exhausted either through Flexi-Access Drawdown or UFPLS

Transfers In

Transfer in cash – adviser fulfils the requirements	Nil	
Other transfers in cash – per transfer	£20 (Max £200)	Upon completion of transaction
In specie transfers	£50 (max £500)	Upon completion of transaction

Transfers out

Transfer out in cash	£150	Upon completion of transaction
In specie transfers – per transfer	£50 (max £500)	Upon completion of transaction

No fees will be refunded in part or in full when a transfer out is initiated. This includes but is not limited to establishment, annual and income fees.

Contributions

Single contribution at establishment of SIPP	Nil	
Set up of regular contribution at establishment of SIPP	Nil	
Single or variation of regular contribution after SIPP establishment	£20	Upon completion of transaction
Refund of contributions – where permitted	£20	Upon completion of transaction

Other investments

Investments in one of our panel of DFMs	£20	Upon completion of transaction
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Other costs

Ah hoc valuations	£100	Upon completion of transaction
Work to ensure compliance with change in pension legislation and regulation	Time costed	Upon completion of transaction
Establishment of bypass trust	£195	Upon completion of transaction
Annual meetings	£200 plus travel costs	Upon completion of transaction

Frequently asked questions about fees

References below to “we”, “us”, and “our” are to the SIPP administrator

Pension administration

What are the establishment fee and annual fee for?

The establishment fee covers the creation of the SIPP, including opening the default SIPP bank account, verification that our application form is fully completed and signed (including correct anti-money laundering identification) and processing any initial contributions including the reclaim of tax where appropriate.

The annual fee includes the preparation of the reconciled annual statement, regular reconciliations during the year and fulfilling all regulatory requirements including all general communications.

No fees will be refunded in part or full when a transfer out is initiated. This includes but is not limited to establishment, annual and income facility fees. Should the member decide not to proceed with the SIPP once it has been established, the establishment fee is still payable.

How do the fees for contributions work?

There are no fees for any contributions made at the point of the SIPP being established, whether they be single or establishing regular contributions by standing order. Once the SIPP has been established, a separate fee applies to additional single contributions as well as any changes to existing regular contributions in place.

How do the fees for the transfer in of cash benefits work?

If the adviser presents correctly completed discharge forms together with the SIPP application, and is prepared to chase the old pension scheme up to the point of the transfer being executed, no transfer fee will apply. Alternatively if we arrange it we will charge £20 per transfer, and if handling multiple schemes transfers at the same time, this fee will be capped at £200.

How do you charge for the transfer in of partially crystallised funds?

In order to accept the transfer in of partially crystallised funds, a SIPP with a minimum of one plan and one sub-plan must be established. The plan will receive all uncrystallised transfers and, under legislation, the other sub-plans (which are separate arrangements) receive the crystallised benefits. The sub-plans will be fully crystallised. Normal full establishment and annual administration fees will apply to the SIPP. Each sub-plan containing crystallised benefits will attract fees for Drawdown designation.

What are your charges for going into Capped or Flexi- Access Drawdown for?

The establishment of Flexi-Access Drawdown fee includes valuing the SIPP, calculating any applicable PCLS, providing a benefit crystallisation certificate and any reporting requirements applicable at the time.

In addition the Annual Drawdown fee will be payable when you are in Capped or Flexi-Access Drawdown. This fee covers the work required to reconcile and revalue the SIPP in accordance with legislation and then pay benefits, this also covers the administration of PAYE payroll, deduction of tax if required and making the appropriate returns to HMRC. Also included is the facility to vary the level and frequency of income payments.

For clients who elect the phase their Capped or Flexi-Access Drawdown an additional one off fee will be paid for each separate crystallisation, The additional tranche of Capped Drawdown fee also includes a recalculation of the maximum income as standard.

Investment-related fees

Do your fees include the stockbroker's, etc, fees?

No, our investment transaction fees relate to the recording and reconciling of investment transactions by us and do not include stockbroker, investment manager or nominee fees and charges.

General

Do your fees increase?

On 1st October each year the SIPP annual administration fee and will increase in line with the rise in the Average Weekly Earnings (AWE) index over the previous year. If the AWE ceases to be published, or if the calculation of the AWE is altered we may substitute a comparable index. We may at any time increase or amend all or any of our fees or charges payable from your SIPP in such a manner as we may determine. We endeavour to ensure that our fees remain competitive for the benefits of our clients.

Do you receive any other income in relation to my SIPP?

Yes. Metro Bank will pay Talbot and Muir a fee based on the amount held on deposit with them. This is currently 0.95%. For example a deposit of £10,000.00 would generate a fee of £95.00 per annum payable to Talbot and Muir by Metro Bank. Your account will receive the full amount of interest quoted for the account type and amount on deposit. The payment of this fee will not reduce the published rate of interest paid on your Metro Bank deposit account.

Are there any other fees?

We reserve the right to charge for additional services on a time-cost basis relevant to the expertise and seniority of our staff involved.

Is there anything else I should know?

All expenses, charges, and outgoings whether in respect of the investments contained in your SIPP or other expenses however incurred shall be charged to your SIPP. In the event of a levy being made on us under the Financial Services Compensation Scheme or any levy or taxation being imposed on us or your SIPP under any statutory provision affecting the business of SIPP providers, operators, administrators or insurance companies, we may recover from your SIPP an amount equal to the proportion of such levy or taxation that we may reasonably determine. This will be on a basis similar to how the levy, tax, liability, charge or other payment has been calculated.

Glossary

Administration	The process of looking after the SIPP on an ongoing basis. This includes but is not limited to many things such as providing a reconciled annual statement, setting up any regular contributions or savings and reclaiming tax where appropriate.
Capped Drawdown	After the payment of any Pension Commencement Lump Sum an income paid with the residual fund. The income is limited to a maximum calculated with reference to the Government Actuaries Department Tables, age and fund value. Income is taxed at the member's marginal rate through the PAYE system.
Corporate action	An event initiated by a public company or collective investment scheme that affects the securities issues by that company and requires a response from the administrator.
Crystallisation	The act of starting to take benefits (Pension Commencement Lump Sum and/or income) from the SIPP. Also known as vesting
Establishment	The creation of SIPP plan to the point where it is ready to be used
Flexi-Access Drawdown	After the payment of any Pension Commencement Lump Sum an income paid with the residual fund. The income is not limited. Income is taxed at the member's marginal rate through the PAYE system.
In specie	Movement of an asset from one place to another without disinvesting into cash first.
Investment firm	A firm appointed by the plan holder to manage the investments within the SIPP on their behalf or act on a execution only basis
Lifetime annuity	A policy issued by an insurance company which provides a guaranteed income for life in exchange for a lump sum (your accumulated SIPP fund)
OEIC	Open ended investment company also known as a collective investment.
Transfer in	Transferring the value of pension benefits from an existing pension scheme to your SIPP either in cash or in specie.
Tax reclaim	In most cases pension contributions receive tax relief and we reclaim 20p from HM Revenue & Customs for each £1 you contribute personally to your pension. This is then added to your fund.
TIP	Trustee investment plan
Uncrystallised Funds Pension Lump Sum (UFPLS)	A payment made from uncrystallised funds which consists of 25% tax free and 75% taxed income. Income is taxed at the member's marginal rate through the PAYE system.

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Talbot and Muir Limited provides administration to Small Self Administered Pension Schemes and is authorised by and regulated by the Financial Conduct Authority to provide administration to Self Invested Personal Pensions.

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