

# Elite Retirement Account

## Schedule of Fees and Services

This document helps you understand the fees for establishing and administering an Elite 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

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#### 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 Elite 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?

<b>Initial costs</b>	
SIPP establishment	£295
Transfer in – adviser handling the forms	Nil
SIPP annual administration fee – in advance	£460 for single-asset SIPP; or £520 for multi-asset SIPP
<b>Total</b>	<b>£755 for single-asset SIPP; or £815 for multi-asset SIPP</b>
<b>Ongoing costs</b>	
SIPP annual administration fee	£460 for single-asset SIPP; or £520 for multi-asset SIPP
<b>Total per annum</b>	<b>£460 for single-asset SIPP; or £520 for multi-asset SIPP</b>

All fees are subject to VAT, see glossary for definition of single-asset SIPP

## 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?

<b>Initial costs</b>	
Establishing 1 <sup>st</sup> tranche of Flexi-Access Drawdown	£125
Annual Drawdown charge	£150
<b>Total</b>	<b>£275</b>
<b>Ongoing costs</b>	
SIPP annual administration fee	£460 for single-asset SIPP; or £520 for multi-asset SIPP
Annual drawdown charge	£150
<b>Total per annum</b>	<b>£610 for single-asset SIPP; or £670 for multi-asset SIPP</b>

All fees are subject to VAT, see glossary for definition of single-asset SIPP

## Moving into property

The client then decides to purchase a commercial property, as he feels a regular rental income better suits his investment strategy at this stage of his life now that he is drawing regular benefits. The adviser disinvests the existing investments, and the SIPP fund is used to acquire the client's chosen property. In addition to the SIPP fees, the client also expects to pay for a valuation as well as solicitor's fees and stamp duty (if applicable). These fees can all be settled from the SIPP fund. The annual property administration fee is per SIPP (not per property) and covers various aspects of property administration, including the invoicing for rental payments where required.

### What would the costs be for this?

<b>Initial cost for acquiring property</b>	
Handling the purchase	£800
Pension fund borrowing	£400
<b>Total</b>	<b>£1,200</b>
<b>Ongoing costs</b>	
SIPP annual administration fee	£520
Annual Drawdown charge	£150
Property administration fee	£320
<b>Total per annum</b>	<b>£990</b>

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	£295	Upon completion of transaction
Establish an additional arrangement	£100	Upon completion of transaction

### Annual fees

Annual administration fee – single-asset SIPP	£460	In advance
Annual administration fee – multi-asset SIPP	£520	In advance

### Benefits and payments

Annual Drawdown fee <sup>1</sup>	£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 <sup>2</sup>	£125	In advance
Annuity purchase	£150	Upon completion of transaction
Lump sum death benefit payment	£150	Upon completion of transaction

<sup>1</sup> Payable annually after entering Flexi-Access or Capped Drawdown

<sup>2</sup> 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 – per transfer	£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, borrowing, property 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

## Property investment

Annual property administration (per SIPP, not per property)	£320	In advance
Acquisition or In specie transfer fee	£800	Upon completion of transaction
Pension fund borrowing fee	£400	Upon completion of transaction
Environmental screening report <sup>2</sup>	From £182.50	Upon completion of transaction
VAT registration <sup>3</sup> , where applicable	£100	Upon completion of transaction
Quarterly VAT Return <sup>3</sup>	£50	Upon completion of transaction
Sale or disposal	£350	Upon completion of transaction
Insurance Review Fee <sup>4</sup>	£150	Annually in advance

<sup>2</sup> Depending on the size of the property. Fee quoted is for properties up to 2 hectares/20,000sqm.

<sup>3</sup> Talbot and Muir are not VAT experts and may decline to offer these additional services in relation to the handling of VAT in cases we feel are of particular complexity. Offering these services is at all times entirely at our discretion.

<sup>4</sup> Fee associated with conducting due diligence on an alternative insurance policy where a client elects not to join our block policy provided by Erskine Murray Insurance Brokers.

## Other investments

Investments in UK authorised unit trust/ OEIC or insurance fund investments (per investment)	£20 (max £200 per scheme year)	Upon completion of transaction
Transactions conducted through a nominee account (per investment)	£10 (Max £200 per scheme year)	Upon completion of transaction
Establish an alternative deposit account	£20	Upon completion of transaction

## 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
Removal of Member as Trustee due to mental incapacity, by way of Deed of Removal	£250	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, borrowing, property 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 to 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

### **Is a single authorised unit trust/OEIC or TIP application for two funds considered one or two transactions?**

This will count as one transaction. When we complete an application form for a directly held unit trust, OEIC, or insurance company TIP, we apply a transaction fee for each application, not fund. We will cap our charge at £200.00 (10 transactions) per scheme year.

### **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.

## Property fees

### **How do you calculate fees for dealing with the purchase of property?**

Our fee is fixed and reflects typically the amount of time spent on a property purchase. Through adopting this approach we acknowledge that more complex cases will typically result in more time being spent on the purchase, in these instances we will still charge our standard fee.

## Borrowing

### **What are the fees if my SIPP borrows money?**

Our fee is fixed and reflects typically the amount of time spent completing loan application forms and providing the lender with the information they require. Through adopting this approach we acknowledge that more complex cases will typically result in more time being spent dealing with the loan application; in these instances we will still charge our standard fee.

## General

### **Do your fees increase?**

On 1st October each year the SIPP annual administration fee and Property annual administration fee 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 0.30%. For example, a deposit of £10,000.00 would generate a fee of £30.00 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 (including the costs of purchase, sale management, maintenance and valuation of freehold and leasehold properties, if any, and other investments) 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

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<b>Administration</b>	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.
<b>Capped Drawdown</b>	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.
<b>Corporate action</b>	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.
<b>Crystallisation</b>	The act of starting to take benefits (Pension Commencement Lump Sum and/or income) from the SIPP. Also known as vesting
<b>Establishment</b>	The creation of SIPP plan to the point where it is ready to be used
<b>Flexi-Access Drawdown</b>	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.
<b>In specie</b>	Movement of an asset from one place to another without disinvesting into cash first.
<b>Investment firm</b>	A firm appointed by the plan holder to manage the investments within the SIPP on their behalf or act on an execution only basis
<b>Lifetime annuity</b>	A policy issued by an insurance company which provides a guaranteed income for life in exchange for a lump sum (your accumulated SIPP fund)
<b>Transfer in</b>	Transferring the value of pension benefits from an existing pension scheme to your SIPP either in cash or in specie.
<b>Tax reclaim</b>	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.
<b>TIP</b>	Trustee investment plan
<b>OEIC</b>	Open ended investment company also known as a collective investment.
<b>Single-asset SIPP</b>	A SIPP where the only investment other than the main SIPP bank account is one non direct property investment holding. For example, this may take the form of either a single Discretionary Fund Manager portfolio, a single platform, a single standalone Unit Trust/OEIC/TIP or single direct equity holding. As soon as the SIPP owns more than one of these assets, or purchases direct commercial property (either singularly or part of a syndicate), it is then treated as a Multi-asset SIPP.
<b>Uncrystallised Funds Pension Lump Sum (UFPLS)</b>	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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