

Simple Retirement Account

Key Features

This document details the main features of the Simple Retirement Account (SRA) and should be read carefully in conjunction with the Member Agreement (which is contained within the Application Form) before you apply for an SRA.

Overview

The Simple Retirement Account (SRA) is a Self-Invested Personal Pension (SIPP). A SIPP is a personal pension that allows you greater control over where you invest your money. This document details the main features of the SRA and should be read carefully in conjunction with the Member Agreement (which is contained within the Application Form) before you apply for an SRA.

The Financial Conduct Authority is the independent financial services regulator and it requires us, Talbot and Muir Limited, to give you this information to help you decide whether our SRA 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. If you are unsure as to the suitability of a SIPP or any aspect of taking benefits from a SIPP, then it is recommended that you speak to a Financial Adviser authorised and regulated by the Financial Conduct Authority.

Its Aims

To offer you a tax efficient and flexible way of saving for retirement, whilst allowing you to invest into one Discretionary Fund Management portfolio selected from those available on the SRA panel. To allow you to build up a fund that will provide you with a flexible income, or a tax free lump sum and a smaller income, when you retire.

To provide a lump sum, a pension, or both for your spouse or civil partner and or dependants in the event of your death. How such benefits are paid is covered in greater detail in the Questions & Answers section of this document.

The option to take an income from your pension without the requirement to buy an annuity. Income taken by this method is known as drawdown pension and is described in greater detail later in this document.

Your Commitment

You must make at least one single contribution (either a lump sum payment or a transfer from a previous pension) or regular contributions to your SRA.

You are not required to continue to make on-going contributions.

You will be required to maintain a minimum cash balance of at least £1,000 in your SRA for the duration in which the plan is active.

You will not be able to commence drawing benefits until you reach Normal Minimum Pension Age (currently 55, increasing to 57 from April 2028) unless you satisfy ill health conditions.

On commencing payment of benefits through drawdown pension, you will ensure that sufficient liquid funds are available to continue payment of these benefits.

You will be responsible, in conjunction with your investment manager or financial adviser where applicable, for reviewing the investment strategy of the schemes assets to ensure they are suitable to meet your needs and objectives in retirement.

You will be required to tell us each year how much you wish to withdraw from your plan, within HM Revenue & Customs limits.

You must inform us immediately if any of your circumstances change.

You must provide us with any information we request, that we deem to be of relevance to your SRA, promptly.

Risk Factors

The value of the pension you receive when you retire is not guaranteed. It will depend on a number of factors, including:

- The performance of your chosen investments.
- The amount that is contributed and over what duration.
- The age at which benefits are taken.
- Future annuity rates.
- The charges levied on your chosen savings vehicle or underlying investments.
- Changes in legislation and the tax status currently afforded to pensions savings.

On drawing an income from your pension fund you must be aware of the following risks:

- High Income withdrawals are not always sustainable.
- Where investment returns are poor, taking income withdrawals, particularly if they are high, may erode the capital value of the fund.
- Erosion of capital could result in a lower income if and when an annuity is eventually purchased, especially if at that time annuity rates are relatively low.
- There is no guarantee that your income will be as high as that provided by an annuity.

- There is no guarantee that your pension fund will be able to maintain a level of income equal to that which may have been available from an annuity at outset.
- Higher income withdrawal means that there will be less available for dependants or for the purchase of an annuity if and when applicable.
- Income withdrawal takes no account of mortality gain experienced through a pooled arrangement such as an annuity.

Investment Risks

Some investments are higher risk than others. Therefore, you should ensure that your underlying investments appropriately reflect your risk profile and retirement objectives.

Subject to the performance of the underlying assets the value of your fund when you retire could be less than the total amount invested.

Actual investment performance of the underlying assets may be worse than assumed in the illustration(s). The value of investments can fall as well as rise and are not guaranteed and past performance is not a guide to future returns.

By undertaking a large number of deals or switches in relation to your fund size, you may erode the value of your SRA.

Inflation may reduce the purchasing power of your fund.

If you change your mind within the 30-day cancellation period and the value of your investments has fallen, you will receive back less than you have invested.

Taxation Risks

There may be a delay in making some investments while we reclaim tax on your personal contributions from HMRC, in this time the cost of the investments may increase.

Where any unauthorised payments or investments are made a tax charge will be levied.

Changes in tax legislation may have a significant effect on your fund.

Any advice regarding using an SRA as part of your retirement planning strategy should be sought from a Financial Adviser authorised and regulated by the Financial Conduct Authority.

Questions & Answers

Can I change my mind?

You will have the right to cancel your SRA. We will send you a cancellation notice and you will have 30 days to notify us you wish to cancel the application.

During this 30 day period, your money will be invested as instructed by you and your adviser. If you cancel your SRA, we will return your funds to you. The amount you receive will be the full value as at the date of cancellation less any charges necessarily incurred in accordance with the Schedule of Fees and Services. If you have authorised investments other than Bank Deposits, the amount returned to you will be dependent upon the value of these investments.

You can cancel a transfer payment into your SRA within 30 days of us receiving your transfer payment.

During the 30 day period, your money will be invested as instructed by you and your adviser. If you decide to cancel the transfer, we will return the transfer payment, less any fall in the investments market value. We will try to return the transfer payment to the pension provider which it came from. However, the provider does not have to accept the transfer back. If this happens, we will arrange for the transfer to be sent to another pension provider of your choice.

Underlying Investments – Subsequent asset purchases you may make within the SRA do not attract cancellation rights in most instances (unless they relate to a fresh transfer in). An exception to this is the purchase of units in an Authorised Scheme/Unit Trust/Investment Company (with Variable Capital) if bought other than 'at a distance (non-face to face)' and where advice is given. In this instance 14 days cancellation from conclusion of the contract applies. You can give notice that you wish to cancel by writing to us at the address given. In the event that you wish to cancel the investment purchase you will receive the full value as at the date of cancellation less any fall in the value of the underlying investments due to market fluctuations. Cancelling a new asset purchase does not have the effect of cancelling previous purchases made within the SIPP wrapper.

When you first elect for flexi-access drawdown, you will have 30 days from the date we authorise your request, in which to cancel.

If you decide to cancel your drawdown pension, you will be required to return any pension commencement lump sum or UFPLS that has been paid to you, along with any income we have paid to you. We will then wait for instructions from you or your adviser as to how to proceed. Any tax free lump sum or income returned to us will be held in the default bank account until further instructions are received.

Can I change my mind on subsequent transfers?

You will have the right to cancel any transfers from other registered pension schemes to your SRA, whether or not they are received at the same time as the establishment of the scheme.

We will send you a cancellation notice and you will have 30 days to notify us you wish to cancel the transfer.

During the 30 day period, your money will be invested as instructed by you and your adviser. If you decide to cancel the transfer, we will return the transfer payment, less any fall in the investments market value. We will try to return the transfer payment to the pension provider which it came from. However, the provider does not have to accept the transfer back. If this happens, we will arrange for the transfer to be sent to another pension provider of your choice.

Can I terminate my contract, or any aspect of it?

If you wish to terminate any aspect of your SRA or the plan as a whole, then any request to do so must be submitted in writing and must be signed by you. Where you instruct us to terminate your SRA in its entirety, you must provide us with details of the arrangement to which rights accrued under your SRA are to be transferred. You will be responsible for providing us with proof that this other arrangement is suitable to receive such rights and we will only action such an instruction once we are satisfied of this. Please note that any transfer or paid up value is not guaranteed and will be dependent upon the value of the underlying investments.

What is the Simple Retirement Account?

The SRA is a Self-Invested Personal Pension (SIPP). It is a registered pension, upon which is conferred generous tax incentives granted to all registered pension schemes, whilst at the same time offering you access to a panel of discretionary fund managers (DFMs).

Am I eligible?

Any individual is eligible to join a registered pension scheme. However, only relevant UK individuals under the age of 75 are entitled to receive tax relief on their pension contributions.

You are a relevant UK individual if:

- You are resident in the UK at some point in the tax year;
- You have relevant UK earnings chargeable to Income Tax;
- You have, or your spouse or civil partner has, general earnings from overseas Crown employment subject to UK tax; or
- You were a UK resident sometime in the previous five tax years and when you established your SRA.

Relevant UK Earnings?

Are normally your total earnings from employment. Please contact your accountant if you have any doubt regarding your relevant earnings.

Is it a Stakeholder Pension?

This plan is not a Stakeholder Pension, as it does not meet those requirements laid down by the government with regards to minimum payment levels, charges and terms and conditions to make it a Stakeholder Pension. To determine if a Stakeholder would better suit your retirement needs please discuss this with an FCA Regulated Financial Adviser.

How flexible is it?

The SRA offers you all the flexibility you would expect with a SIPP however the investment choice is limited to a panel of DFMs

Regular contributions can be made at any frequency by standing order, where the levels of contributions can be varied as per your instruction.

You can also make lump sum payments to your plan whenever you wish, either by cheque or direct credit (BACS or CHAPS).

Contributions can be made by you, your employer, or a third party on your behalf.

You can start, stop, and restart payments if your circumstances change. Stopping or reducing your payments may reduce your future pension.

You can transfer your plan to another Registered Pension Scheme at any time.

Once your SRA is fully vested, you are not able to make any additional contributions to this arrangement except by opening a new, unvested arrangement at additional cost.

What about tax?

The plan value grows free from capital gains tax and income tax, although tax on UK dividends cannot be reclaimed.

Upon commencing benefits from this plan you will be entitled to a tax-free pension commencement lump sum of up to 25% of the value of the fund (subject to the Standard Lump Sum Allowance in that year).

Alternatively, you may choose to take a single uncrystallised fund pension lump sum ("UFPLS") or a series of UFPLS. The first 25% of each UFPLS will normally be tax free (replacing your pension commencement lump sum entitlement).

Pension income is taxed in the same way as earnings, but is not subject to National Insurance and cannot support further contributions. Any income you receive from the SRA will be paid under the PAYE system.

If you die before drawing benefits, and before reaching age 75, the total value of your fund can usually be paid either as a lump sum or designated as drawdown income, for your beneficiaries. Such benefits are usually tax free if paid within two years of your death. Any lump sum payments will be tax free subject to your remaining lump sum and death benefit allowance, any lump sums paid above this will be subject to income tax at your beneficiary's marginal rate.

If you die on or after reaching age 75 whilst taking benefits through drawdown pension, the amount of tax will be dependent on the type of benefits provided to your beneficiaries (see "What happens when I die?", section below).

We will claim any basic rate tax relief you are entitled to from HMRC and this will be added to your SRA.

If you are a higher rate tax payer, any extra tax relief you are entitled to may be claimed through your tax return.

Any employer contributions to your SRA will be paid gross. Whether such contributions are treated as tax relievable deduction will depend on whether the Local Inspector of Taxes deems the contribution as being made "wholly and exclusively for the purposes of trade".

How much can I invest in my SRA?

There is an annual limit (Annual Allowance) on the total value of the contributions made to ALL your registered pension schemes by you, your employer or any third party.

Where the total amount of contributions from all sources exceeds the annual allowance, you must normally pay a tax charge on the excess over the annual allowance in the year in which it is assessed, based on your full marginal rate.

The Annual Allowance is set by HM Revenue and Customs and is currently a maximum of £60,000. However, if your income (including the value of any pension contributions) is over £260,000, your Annual Allowance may be reduced. Please contact your financial adviser for advice on your personal circumstances.

Talbot and Muir Limited can arrange for a contribution or transfer of value to be paid by way of a transfer of assets. A contribution paid in this way may create a liability to capital gains tax, but may still qualify for tax relief as if it were a cash contribution.

If you decide to access your benefits flexibly (including as flexi-access drawdown or UFPLS), you will be limited to a new annual allowance of £10,000 for money purchase savings.

There is no minimum amount which you must contribute to your SRA.

For personal contributions (those made by you or by a third party, except your employer, on your behalf), the annual limit on which tax relief can be claimed is the greater of 100% of earnings and £3,600 (before tax relief).

There is no limit to the amount that can be transferred to your SRA from other Registered Pension Schemes.

Before you transfer from another pension you should ensure that the benefits are at least comparable. If you change your mind you may not be able to rejoin, even if you decide to cancel the transfer.

We would recommend you to take advice from an FCA Regulated Financial Adviser's transfer specialist before proceeding to transfer from any type of scheme, in particular a defined benefits scheme.

The Lump Sum Allowance

There is a limit on the total value of tax free payments your pension funds can provide without incurring a tax charge. This is called the Lump Sum Allowance. This applies to any tax free payments made either in the form of the pension commencement lump sum or any tax free element of an UFPLS.

The Standard Lump Sum Allowance is set by HMRC and details are available from your financial adviser. In certain circumstances your Lump Sum Allowance may be increased and you may have a personal Allowance higher than the Standard Lump Sum Allowance. Prior to 5th April 2025 you will have registered with HMRC to protect your savings against the Lifetime Allowance charge and you will have received a certificate or reference number from HMRC confirming your level of protection. You need to supply us with this certificate or reference number before we process any relevant Benefit Crystallisation Events.

Any withdrawals above the lump sum allowance will be subject to income tax at your marginal rate.

Your benefits will be tested against the Lump Sum Allowance at any relevant Benefit Crystallisation Event. Advice from your FCA Regulated Financial Adviser should be sought at the point of wishing to take your benefits.

Where will your contributions be invested?

We operate a list of permitted investments; your money will be invested as per your instructions, subject to those investments being on our list of permitted investments for the SRA.

The SRA is a single investment manager SIPP and therefore only allows investment into one DFM from a pre-determined panel.

Any investment into a HMRC non permitted asset will incur a tax charge and as a result we will veto such an investment instruction at outset.

Where no instruction is made by you as to how money should be invested, it will be held as cash in the scheme bank account.

The rate of interest will depend on the value of the cash you hold and the current rates are available upon request.

In the event of benefits, fees or tax charges needing to be paid from your plan and no instruction is received from you as to which investments are to be realised to settle such liabilities, Talbot & Muir will exercise our discretion as Scheme Administrator.

How will I know how well my plan is performing?

Each year you will receive a Statutory Money Purchase Illustration (SMPI) in respect of your uncrystallised benefits, which will show you the amounts invested during the previous year, the current value of your fund and a projection of the income that this might provide in retirement.

You will also receive a scheme valuation annually, which will detail the investments you hold. Additional valuations are available but will incur a charge.

What might I get when I retire?

The pension you eventually receive will depend on a number of factors at the time that you retire. For more information please refer to the section titled 'Risk Factors'.

What are my choices at retirement?

Your plan is to be used to provide you with retirement benefits at your selected retirement age. However, in the event of your death it can provide benefits for dependants and beneficiaries.

You can take benefits from Normal Minimum Pension Age (currently 55, this is increasing to age 57 from April 2028).

Benefits can only be taken early where:

- You have medical evidence proving that you cannot carry out your occupation;
- You have medical evidence that you have a life expectancy of less than 12 months, you are below the age of 75 and not used all your lifetime allowance, you may take all of your plan as a lump sum if you have not yet begun to take benefits; or
- You have a protected early pension age.

At the point you choose to take your benefits you have a number of options available to you:

- Buy a lifetime annuity from an insurance company with some or all of the value of your fund, 25% of the fund can usually be paid as a pension commencement lump sum, tax free;
- Designate some or all of the fund to provide flexi-access drawdown - you can choose the amount and frequency of income payments, 25% of the fund can usually be paid as a pension commencement lump sum tax free; or
- Take a single or a series of Uncrystallised Funds Pension Lump Sum(s) - you can choose the amount and frequency of each UFPLS. 25% of each payment will be made tax free and 75% will be taxed.

The suitability of the various options should be decided upon after seeking advice from an FCA Regulated Financial Adviser.

Income payments will be made on the 25th of the month

What happens if I am ill?

See the section entitled "What are my choices at retirement".

What happens when I die?

The options and taxation on your death will be dependent on if and/or how benefits are being taken at the date of your death.

If you die before reaching age 75 with undrawn funds or funds in drawdown, your nominated beneficiary (spouse, civil partner, dependant or nominee) has three options available to them which will normally be tax free if established within two years of death:

- They can take a cash lump sum;
- They can buy an annuity with the fund; or
- They can choose to continue taking drawdown.

Any lump sum payments taken by your beneficiaries will be subject to the Lump Sum and Death Benefit Allowance, with any payment under this amount being tax free. Any payments over this limit will be subject to income tax at your beneficiary's marginal rate.

If you die on or after reaching age 75, your nominated beneficiary (spouse, civil partner, dependant or nominee) has three options available to them:

- They can take a cash lump sum and pay income tax at their highest marginal rate;
- They can convert your drawdown to an annuity, and any income would be taxable by the recipient on a PAYE basis; or
- They can choose to continue taking drawn pension, and any income would be taxable by the recipient on a PAYE basis.

If you have purchased an annuity, then at the time of purchasing the annuity you will have been given the option to provide a dependant's pension. The policy document will provide full details of the benefits available

Will my SIPP benefits affect my State Benefits?

This will depend on the rules in place when you take benefits.

At present, the benefits from a SIPP should only very rarely affect entitlement to state benefits.

The state pension is not affected by income from other sources, but your entitlement to the Pension Credit may be affected.

How much will any financial advice cost?

This is to be arranged between you and your adviser.

Any fees agreed between you and your adviser can be settled from your SRA.

What are the charges for the SRA?

Please refer to the Schedule of Fees and Services for details of the fees charged in relation to the administration of your SRA.

Interest Rates

Our active management of customer cash means we can credit our customers with a competitive rate of interest. We train some of what's earned so we can keep our charges low, as well as investing in our technology and propositions, and in providing higher service levels.

Our aim is to deliver excellent financial outcomes for our customers, and ultimately help make their retirement more rewarding.

Details on our sharing policy are displayed on our website at www.talbotmuir.co.uk/bank-interest-for-sipps-and-ssass/ along with the actual rates applied to customer accounts, and the level of cash interest rates retained is shown on client illustrations.

Further Information

Your right to change your mind

See the section entitled "*Can I change my mind?*"

Law

The laws of England & Wales govern this contact and any disputes will be subject to the exclusive jurisdiction of the English Courts.

Language

This contract will be provided to you and concluded in English and all communications between us will be in English.

Complaints

If you are not satisfied with any aspect of our product or service and you wish to make a complaint against us please let us know using the following contact details:

Compliance Officer, Talbot and Muir, 55 Maid Marian Way, Nottingham, NG1 6GE

Telephone: 0115 841 5000.

Email: clientrelations@curtisbanks.co.uk

Your complaint will be dealt with in accordance with our complaint handling procedures which are available upon request.

We will do everything we can to settle your complaint with us. However if you are not satisfied with the outcome, you can refer your complaint to Financial Ombudsman Service (FOS), which is an independent dispute resolution service. FOS can be contacted at:

Exchange Tower, Harbour Exchange Square London E14 9SR

Telephone: 0800 0234 4567

Email: complaint.info@financial-ombudsman.org.uk

www.financial-ombudsman.org.uk

You may also make a complaint to The Pensions Ombudsman Service (POS) who can be contacted at:

10 South Colonnade, Canary Wharf, London, E14 4PU

Telephone 0800 917 4487

Email: enquiries@pensions-ombudsman.org.uk

www.pensions-ombudsman.org.uk

Making a complaint will not affect your legal rights.

Please note that any complaint regarding advice given to you by your financial adviser should be referred directly to them.

Compensation

The Financial Services Compensation Scheme covers Talbot and Muir Limited. You may be entitled to compensation from the scheme if we cannot meet our obligations.

In respect of the protection for regulated investments within your scheme the level of compensation available depends on the type of business and the circumstances of the claim. Deposits are covered up to a limit of £85,000 per firm per person, and most other types of investment are covered up to a limit of £85,000 per firm per person. Further information about compensation arrangements is available from the Financial Services Compensation Scheme.

About Talbot and Muir Limited

We are authorised and regulated by the Financial Conduct Authority. Our FCA register number is 776228. You can check this on the FCA's Register by visiting the FCA's website or by contacting the FCA on 0845 606 1234.

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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.

Talbot and Muir is the trading name for Talbot and Muir Limited (company number 02869547), registered in England, registered address Dunn's House, St Paul's Road, Salisbury, SP2 7BF. A list of directors is available upon request.

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