

Elite Retirement Account

Terms and conditions

1. INTRODUCTION

These *terms and conditions* use expressions, shown in italics, that are defined in the glossary at the end.

These *terms and conditions* describe the operation of *your SIPP*. *Your* signed application to join or take benefits from *your SIPP*, and/or *your* membership of *your SIPP* confirms *your* agreement to these *terms and conditions*, the fees set out in the *schedule of fees and services* and the *rules*. The *terms and conditions*, together with the documents listed immediately below, form the basis of a legally binding agreement between *us* and *you*:

- the application form(s) that *you* have signed or that has been signed on *your* behalf;
- the *schedule of fees and services*;
- the *permitted investments list*;
- the key features document provided to *you*.

If there is any conflict between these *terms and conditions* and the documents listed above, these *terms and conditions* will take precedence.

The *scheme* is legally constituted and governed by the *rules* (including any Supplemental Deed *you* have entered into). If there is any conflict between the *rules* and the *terms and conditions* or with any of the other documents listed above, the *rules* will prevail.

We are not responsible for giving, and shall not be deemed to have given, any legal, financial, investment, tax or any other advice in connection with *your SIPP* or any underlying investments or decisions associated with it.

We therefore strongly recommend that *you* appoint an *adviser* in connection with *your SIPP*. If *you* do, *your adviser* is responsible for providing financial advice about the suitability of *your SIPP*, the investments in it and the benefits taken out. Where *you* inform *us* that *you* have appointed an *adviser*, *your adviser* will be acting as an agent on *your* behalf. *We* will be entitled to take instructions from and communicate with *your adviser* unless *you* inform *us* not to do so. *We* will assume *your* relationship with *your adviser* continues until *you* inform *us* otherwise.

We do not accept liability for certain aspects of the operation of the *scheme*, nor does the *scheme trustee* accept liability for these aspects – see section 32. Further, *you* agree to be responsible for and pay any losses, costs and expenses incurred by *us* and the *scheme trustee*, in respect of certain aspects of the operation of the *scheme* as described in section 32.3.

We have the right to vary the *schedule of fees and services* and these *terms and conditions* in accordance with section 16.1 and section 29 respectively. Any changes will be incorporated in updated versions of these *terms and conditions*.

In addition to the documents that form the legally binding agreement, the Key Features Illustrations and other personalised statements provide important information about the *scheme*.

You can ask *us* for copies of these documents.

Please keep the *terms and conditions* and any other materials that *you* get in relation to the *scheme* in a safe place for future reference.

If *you* have any questions about these *terms and conditions*, or if *you* would like to obtain a copy of a document or form referred to, please contact *us* at:

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

Your SIPP is a *registered pension scheme*. The *trustees* will hold all the assets of the *scheme* in accordance with the *rules*. *We* are the *establisher* and *scheme administrator* of the *scheme* and the

company with whom *you* are contracting in respect of *your SIPP*. We administer the *scheme* in accordance with the *rules*.

We are authorised and regulated by the *FCA*. We are entered on the Financial Services Register. Our register number is 776228. You can check this information on the Financial Services Register by visiting the *FCA*'s website www.fca.org.uk or by contacting the *FCA* on 0800 111 6768.

The *FCA* requires *us* to categorise *our* clients. We will treat *you* as a retail client, as defined by the *FCA*. Retail clients benefit from the highest level of protection, are provided with information in a more straightforward way and have access to the Financial Ombudsman Service and Financial Services Compensation Scheme. If *you* fall outside of the *FCA* definition of a retail client, whilst we will continue to treat *you* as a retail client, including providing information in a more straightforward way, *you* may not be able to access the Financial Ombudsman Service and Financial Services Compensation Scheme. If *you* require further information regarding client categorisation please speak to *your adviser* or contact *us* directly.

2. THE SCHEME

2.1 The *scheme* is established by *us* as the *establisher* and is governed by the *rules*. The legally binding agreement between *you* and *us* referred to in section 1 imposes conditions and restrictions on the operation of the *scheme*. If there is any conflict between that agreement and the *rules*, the *rules* prevail. You can ask *us* for a copy of the *rules*.

2.2 The *scheme administrator* is responsible for operating and administering the *scheme*.

2.3 When an individual becomes a *member*, a *member fund* will be set up on their behalf. All contributions and transfer payments invested in the *scheme* on *your* behalf will be applied to *your member fund*.

3. OWNERSHIP

Unless a *member trustee* has been appointed (please see below) or any other individual as a *trustee* of the *scheme*, the *scheme trustee* is the sole legal owner of all the assets relating to each *member fund*.

If *you* are an *Elite Member* the *scheme administrator* will require *you* to become a *member trustee* of your *member fund* jointly with the *scheme trustee* by executing a Supplemental Deed in accordance with the *rules*. Where a *member trustee* has been appointed, the *member trustee*, together with the *scheme trustee* (and such other trustees as may be appointed from time to time by the *establisher* as it thinks necessary), are the joint legal owners of all the assets relating to the *member fund*.

The *scheme administrator* pays the benefits from the *member fund* in accordance with the *rules*, the *terms and conditions* and any Supplemental Deed.

In relation to assets that are held in *your member fund*, we shall invest and/or appoint investment managers in accordance with (and only in accordance with) *your* instructions, subject to the conditions set out in sections 10 and 11.

4. MEMBERSHIP

4.1 Anyone over the age of 18 may apply to become an *Elite Member* or a *Simple Member*.

4.2 A parent or legal guardian may apply for *Simple Membership* on behalf of their child under the age of 18. Until the child reaches the age of 18, we will act on the instructions of the parent or legal guardian in relation to the child's *member fund*. Once the child reaches the age of 18, they will have full authority to give instructions in relation to their *member fund*, provided that they accept these *terms and conditions*.

4.3 Any *eligible dependants, nominees or successors* in respect of whom an entitlement to benefits arises may participate in the *scheme* as *dependants, nominees or successors* by applying to take benefits in the form of *drawdown* (see section 21). We have the right to decline such an application where the *eligible dependant, nominee or successor* does not normally live in the UK and/or this would in, *our* opinion,

4.3.1 likely lead to an *unauthorised payment*, which attracts tax charges or

4.3.2 limit or restrict in any way *our* ability to administer the *scheme*.

4.4 An *Elite Member* may elect to become a *Simple Member* and vice versa, subject to the *rules*. If *you* would like to switch *you* should notify *us* in writing.

5. COMMUNICATION

5.1 Any instructions from *you* to *us* must be in writing, via email or by facsimile and be submitted directly to *us*. Instructions include, but are not limited to, notices, application forms, benefit options and nominations and directions in relation to investments.

Instructions are not effective until actually received by *us* at the address set out in section 1.

- 5.2 We will normally communicate with *you* in writing or electronically.
- 5.3 The exceptions to section 5.1 are:
- 5.3.1 where we agree that instructions in relation to the ongoing transactions by any investment manager should be submitted to that investment manager (see section 11) in accordance with the separate terms and conditions governing the operation of those services;
- 5.3.2 where we agree that instructions:
- (a) to place a buy, sell or switch transaction in relation to funds linked to any investment product held by *your member fund*; or
- (b) to trade assets and investments using any agreed share dealing facility,
- should be submitted to the provider of the investment product or share dealing facility in accordance with the separate terms and conditions governing that product or facility;
- 5.3.3 where we give notice that instructions should be submitted to any other relevant third party;
- 5.4 You authorise *us* and the *scheme trustee*:
- 5.4.1 to rely on, and treat as fully authorised and binding on *you*, any decision or instruction which purports to have been given by *you* or *your adviser* without further enquiry by *us*; and
- 5.4.2 to accept such an agreement as genuine, without the need for further investigation as to the authority or identity of the person giving, or purporting to give, such an agreement provided the instructions have been received in good faith and without negligence.

6. CONTRIBUTIONS

- 6.1 Contributions may be made by *members* and in respect of a *member* by another person (including his employer) if the contribution is paid on his behalf and he is aware of the payment. No contributions may be made in respect of *dependants, nominees or successors*.
- 6.2 You may arrange regular or one-off contributions to *your member fund*.
- 6.3 Your personal contributions qualify for tax relief if *you* meet the conditions set out in the *Finance Act*.
- 6.4 Contributions over the limit that are eligible for tax relief can be paid into *your member fund* provided *you* notify *us* at the time *you* make the payment that *you* are intending to make such contributions. We are under no obligation to notify *you* if *you* are likely to be affected by the limit set by *HMRC* for tax relief on contributions. If the contributions paid by *you* result in *you* exceeding the limit for tax relief, *you* may ask *us* to refund the excess contributions paid by *you* to *you*. The refund to *you* would be the lower of the excess contribution or the value of the part of *your member fund* attributable to that excess contribution. In addition, *HMRC* will require *us* to repay the full amount of the basic rate tax relief (see section 6.11) which we had claimed on the excess contribution.
- 6.5 The annual allowance determines the total value of all contributions to all *your* tax-advantaged pension savings which can be paid by or in respect of *you*, without incurring a tax charge, usually of 40%.
- 6.6 The standard annual allowance may in *your* case be:
- increased, if *you* have carried forward unused portions of annual allowance relating to the last three tax years;
 - decreased, if *you* have accessed any benefits flexibly and therefore the money purchase annual allowance applies; or
 - decreased, if *your* total income exceeds both the adjusted income and threshold income levels set in accordance with the tapering provisions.
- The overall net effect of these provisions as each may apply to *you*, will determine *your* personal annual allowance. We recommend that *you* consult an *adviser* if *you* are in any doubt.
- 6.7 If contributions are paid which lead to the annual allowance or the *money purchase annual allowance* under the *Finance Act* being exceeded, *you* will be responsible for paying the annual allowance tax charge arising. The excess contribution paid in these circumstances must remain in *your member fund* (invested until benefits are to be paid as set out in these *terms and conditions*).
- 6.8 Contributions can continue even after *you* take retirement benefits, but any contributions paid after *your* 75th birthday, do not currently qualify for tax relief.
- 6.9 We do not impose minimum contribution levels. However, we reserve the right to introduce a minimum and, if we do, we will alter these *terms and conditions* as described in section 29.1.

- 6.10 Contributions can be paid by cash, cheque, standing order, BACS or direct credit. Contributions cannot be settled wholly or partially by appropriate assets rather than cash.
- 6.11 We will act as the collecting agent for all contributions and will pass monies, including basic rate tax relief on *member* contributions, to the *bank account*. We will claim basic rate tax relief from HMRC on any contributions made by *you* or on *your* behalf paid as a personal contribution, for investment in *your member fund* via the *bank account*, when HMRC pay the tax to *us*. Basic rate tax relief will only be applied to *your member fund* once HMRC pays the tax relief to *us*.
- 6.12 *You* may claim higher rate tax relief through *your* self-assessment tax return. Tax relief on personal contributions paid on behalf of a *minor* is attributable to the *minor* as opposed to the person who actually pays the contribution.

7. TRANSFER PAYMENTS INTO THE SCHEME

- 7.1 Subject to section 7.2, HMRC's requirements and the prior consent of the *scheme administrator*, *you* may transfer *your* benefits under another *registered pension scheme* to this *scheme*. It is also possible to transfer the value of an *income withdrawal fund* into the *scheme*.
- 7.2 Transfer payments may be arranged as a cash transfer, or by a transfer of assets, or a combination of both, from the other scheme. A transfer of assets is subject to:
- 7.2.1 the assets being a permitted investment in accordance with 10.1;
 - 7.2.2 the prior consent of the *scheme administrator*;
 - 7.2.3 *us* having obtained a current open market valuation of the assets (the cost of which, if any, being met when *we* are asked for payment in accordance with section 16, irrespective of whether or not the transfer is actually completed);
 - 7.2.4 full ownership of the assets being passed to the *trustees*; and
 - 7.2.5 satisfying HMRC's requirements.
- 7.3 We do not impose a minimum on transfer values. However, *we* reserve the right to introduce a minimum and, if *we* do, *we* will alter these *terms and conditions* as described in section 29.1.

8. TRANSFER PAYMENTS OUT OF THE SCHEME

- 8.1 *You* may request a transfer of the value of any benefits under *your member fund* to another *registered pension scheme* or overseas pension scheme allowed by HMRC rules. *You* would need to check that the proposed scheme is willing to accept the transfer.
- 8.2 If *you* are not transferring out *your* whole *member fund*, *you* must tell *us* which assets are to be sold or cashed in before *we* can arrange the transfer.
- 8.3 Costs may be incurred for cashing in assets and making the transfer out (for example, by the investment manager or product provider).
- 8.4 It may be possible to make a transfer payment to another pension arrangement 'in specie' i.e. the assets are not sold but, instead, are re-registered in the name of the trustee of the new pension scheme. With an 'in specie' transfer, costs may be incurred during the re-registration process.
- 8.5 With both cash and 'in specie' transfers, costs may also be incurred if *we* require a current open market valuation of the assets.
- 8.6 The costs (irrespective of whether or not the transfer out proceeds) will be met, in accordance with section 16, prior to any transfer taking place. Payment of a transfer value may be delayed if there is a delay in receiving payment.
- 8.7 Subject to the requirements of the *Finance Act* *you* may transfer the whole of *your income withdrawal fund* at any time to another *registered pension scheme* that is willing to accept it. *You* should get advice from an *adviser* before considering a transfer.

9. BANK ACCOUNT

- 9.1 We will operate an interest-bearing bank account with a provider nominated by *us* which will be known as the *bank account* for the purposes of *your member fund*. Contributions and payments into *your member fund* and payments out of *your member fund* will be via the *bank account*, unless *we* agree otherwise.

You may ask *us* to open additional bank accounts, subject to *our* reasonable requirements, with other account providers that *you* choose for the purposes of *your member fund*.

Assets relating to *your member fund* in the *bank account* will be held in the name of the *scheme trustee*.

9.2 All monies available for investment will be held in the *bank account* unless and until we receive investment instructions from *you*, or on *your* behalf by *your* investment manager or *adviser*.

9.3 We may retain 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-sipp-s-and-ssass/ along with the actual rates applied to customer accounts, and the level of cash interest rates retained is shown on client illustrations.

9.4 No ongoing bank charges are currently made on the *bank account* whilst it is in credit. However, individual transactions (for example, receipt of monies in foreign currencies or electronic transfer) may attract charges. Charges may apply in the future, which would be met in accordance with section 16. We will require *you* to maintain a suitable cleared balance in the *bank account* at any time to cover all payments due from or in respect of *your member fund*. These payments will include, but shall not be limited to:

9.4.1 any *drawdown* payments falling due which will cease or be delayed if there are insufficient cleared funds;

9.4.2 ongoing capital and interest repayments in connection with any borrowing; and

9.4.3 fees, charges or costs.

Overdrafts are not usually permitted on the *bank account* (or on any other account that we agree in connection with *your member fund*).

9.5 If there is an insufficient cleared balance in the *bank account* to comply with the requirements of section 9.4, we will realise (cash in) assets in order to provide the necessary funds. The procedure for realising assets is set out in section 17. We, and the *scheme trustee* do not accept any liability whatsoever for any loss or any tax charge that may be incurred due to insufficient cleared funds being available in the *bank account*.

9.6 Where an investment manager is appointed, cash may be held by the investment manager or its nominees, subject to section 11. Cash held in this way may attract interest. Details of the appropriate prevailing interest rates can be obtained directly from the investment manager upon request. For further details in relation to investment managers, please see section 11 and/or contact us.

10. INVESTMENTS

10.1 For *Elite Members* we will normally allow any investment on *our permitted investments list* and which *HMRC* rules allow without attracting any *unauthorised payment* tax charges. You can ask us for details of permitted investments.

The permitted investments list may vary from time to time. However, in order to comply with the regulatory rules for authorised investments, certain restrictions apply. In particular, the *scheme* may not (directly or indirectly) engage in investment transactions with:

10.1.1 *you* or a person connected with *you*, e.g. a family member or a business partner, or

10.1.2 a company or firm in which *you* or a member of *your* family has an interest

unless any transactions are made on an arm's length bargain terms basis i.e. on a basis consistent with a normal open market commercial transaction between two or more persons.

10.2 For *Simple Members* we will only allow investment in investment accounts agreed between us and *you* or your *adviser*.

10.3 We have the right to decline to accept an investment into the *scheme*.

10.4 The purpose of a *registered pension scheme* must be the provision of retirement income or lump sums as specified in the *Finance Act*. The investment objectives of the *scheme* must have due regard to this.

10.5 Any investment instruction will only be carried out where there are sufficient cleared funds available to complete the transaction.

10.6 We, and any appointed third parties, have the right to decline to accept instructions, for example, where an instruction is received to purchase an asset which falls outside the range of permitted investments.

10.7 In *our* capacity as *scheme administrator* and *establisher*, we will not give advice, nor accept any liability for the performance or choice of any investment in relation to the *scheme*.

11. INVESTMENT MANAGEMENT

- 11.1 We will not accept any liability for the performance or choice of any investment manager.
- 11.2 You are responsible for deciding the manner in which *your member fund* is invested. Any investment instruction must be submitted to us in accordance with section 5 and will be followed by us where the instructions meet *our* reasonable requirements.
- 11.3 You are responsible for ensuring you understand the terms and conditions that apply to any investment account opened or investment manager appointed by us at your request.
- 11.4 At your request we will release the monies to the appointed investment manager once the investment manager has opened an account relating to *your member fund*. The costs arising from the investment manager's commissions, fees and disbursements relating to *your member fund* will be borne by the investments under the control of the investment manager relating to *your member fund*.
- 11.5 Any investment manager to be appointed will be able to provide full details of their charges.

12. STOCK CUSTODY

- 12.1 Permitted investments may be registered in the name of nominee companies used by any investment manager appointed in accordance with section 11 or, subject to *our* agreement, such other third party provider appointed by you.
- 12.2 The costs arising from fees and charges of any nominee or custodian relating to stock registration or custody and settlement shall be charged to the *scheme* in accordance with section 16.
- 12.3 In relation to any investment held in accordance with section 11 we are not responsible for providing any advice regarding the assets held in these arrangements. You should ensure that your investment manager or nominee keeps you fully up dated on any matters which will affect your portfolio, including but not exclusive corporate actions and voting rights.

13. COMMERCIAL PROPERTY

- 13.1 All *commercial property* relating to *your member fund* will be held and any associated borrowing will be made in the name of the *trustees*. You must arrange insurance cover before contracts are exchanged and at all times it is your responsibility to ensure that the property insurance policy remains in force.
- 13.2 When purchasing or selling any *commercial property*, the *trustees* will jointly instruct, or appoint only approved third parties. This will include surveyors, environmental specialists, solicitors, insurance consultants, property administrators and property managers.
- 13.3 The fees arising from the appointed third parties relating to *your member fund*, together with all associated costs and expenses arising from the ongoing administration and compliance with relevant legislation in respect of *commercial property*, including litigation, relating to *your member fund* will be charged to *your member fund* and met in accordance with section 16.
- 13.4 We have the right to instruct the *trustees* to sell a *commercial property* at any time if a particular risk or liability (statutory or otherwise) occurs that affects the *commercial property* or the land surrounding it. For example, if legislation changes so that the property is no longer treated by *HMRC* rules as *commercial property* or the property is subject to revised environmental requirements.
- 13.5 You can ask us for further information about investment in *commercial property*.
- 13.6 Subject to section 17.1.2, acquisition and disposal of *commercial property* will require your instructions as set out in section 5.
- 13.7 Direct investment in commercial property is not permitted in respect of *Simple Members*.

14. BORROWING

- 14.1 The maximum amount that the *scheme* can borrow is set by *HMRC* and is currently limited to 50% of the 'net market value' of *your member fund* immediately before the borrowing takes place.
- 'Net market value' has the meaning given by section 278 of the *Finance Act* and any subsequent legislation. The value of any asset being purchased using the borrowing must therefore not be taken into account in calculating the borrowing limit unless, exceptionally, the asset was already held in *your member fund* before the borrowing takes place, e.g. a re-mortgage. We will take into account any existing borrowing when calculating the limits.
- 14.2 Subject to section 14.1, any borrowing may be further restricted in accordance with the terms and conditions offered by the lender. For example, a lender may not be willing to lend the maximum otherwise permitted in respect of *minors* or where there are benefits in payment.
- 14.3 All borrowing must be arranged in the name of the *trustees* jointly.

- 14.4 Neither *we* nor the *scheme trustee* takes responsibility for finding a willing third party lender, but *we* may be able to facilitate a third party lender that could be used.
- 14.5 When *we* confirm that the borrowing is acceptable, *we* will instruct the *trustees* to sign the lender's loan documentation on behalf of the *scheme*.
- 14.6 Certain lenders may require the *scheme* to maintain a suitable cleared balance in the *bank account* (or in another account relating to *your member fund*) to cover ongoing capital and interest repayments. This will vary from lender to lender. If there are insufficient cleared funds to cover ongoing capital and interest repayments, *we* will realise (cash in) assets in order to provide the necessary funds. The procedure for realising assets is set out in section 17.
- 14.7 All borrowing must be repaid in accordance with the terms and conditions of the lender's loan documentation (for example on completion of the sale of a *commercial property*).
- 14.8 It will be necessary to review the level of borrowing available if *your member fund* is to be fully encashed as a consequence of *you*:
- 14.8.1 dying;
 - 14.8.2 transferring out;
 - 14.8.3 becoming subject to a Pension Sharing Order (on a divorce).

In certain circumstances, this may require the borrowing to be wholly or partially repaid.

- 14.9 *We* will comply with the terms and conditions offered by the lender.

- 14.10 Borrowing is not permitted in respect of *Simple Members*.

15. STATEMENTS

- 15.1 *You* will receive regular statements in respect of the *bank account* if *you* elect to. The frequency of statements in respect of any other accounts relating to *your member fund* will depend on the arrangements *you* agree with the operator of the account.
- 15.2 *You* must agree with *your* investment manager appointed in accordance with section 11 how often investment updates are issued, including transaction details and a portfolio valuation during the period.
- 15.3 *We* will arrange to send *you* a yearly statement covering investments relating to *your member fund*. This will give details of all investments relating to *your member fund* although (due to issues of timing and costs in obtaining valuations) this may not be a current valuation. Whilst *we* will use our best endeavours to obtain a current valuation of an asset, *we* cannot guarantee *we* will be able to obtain this or that the valuation provided to *us* is correct. If *you* ask *us* for a current valuation, the cost (if any) of obtaining this will be charged in accordance with section 16. If *you* require an additional summary of investments at any time, *we* will apply an additional charge for each and every statement. This additional charge shall be met in accordance with section 16. Please refer to the *schedule of fees and services* for more details.
- 15.4 If *you* have utilised *drawdown*, *we* will give *you* separate details of the income payments made from *your member fund*.

16. CHARGES

16.1 Amount of charges

The *schedule of fees and services*, available on request, sets out the charges that may become payable to *us* and the annual increase that is applied to *our* charges. The charges that will actually become payable will depend on the investments *you* select, the benefits *you* take and any administrative or other requests *you* make. Additional services outside *our* normal administration activities will be charged on a 'time-cost' basis (hourly rates for the service).

We may review and amend *our schedule of fees and services* as explained in section 29.

All charges quoted are exclusive of any VAT, stamp duty and other applicable taxes and/or duties, which, if payable, are in addition.

16.2 Payment of charges and other sums due

All charges and other sums due in respect of *your member fund* or from *you* personally, including under these *terms and conditions* must be paid out of funds held in the *bank account*, or from any other account that *we* agree. *You* are responsible for ensuring that there are sufficient funds available in good time to pay charges or any other sums due. *We* will advise *you* if it has not been possible to pay any amounts due. If there is not enough money in any *bank account* in respect of *your member fund* to meet charges or other amounts as they fall due, *we* may cover the shortfall by arranging the sale of investments held within *your member fund*. If there is more than one type of investment in *your member fund*, *we* will normally follow the process set out in section 17.1.

Important: If any shortfall remains after the sale of all investments held within *your member fund*, you will be personally responsible for paying the outstanding charges or other sums due and you will personally indemnify us, subject to section 32.3, in respect of all or any costs, claims, expenses, tax charges, demands and losses that may arise in respect of *your member fund*.

17. REALISATION OF ASSETS

17.1 Where there are insufficient cleared funds in any *bank account* relating to *your member fund* to meet payments that are due to or from *your member fund*, we will carry out the following procedure:

17.1.1 we will ask you to provide additional contributions (where appropriate) or instructions to sell assets (or a combination of both) to provide sufficient funds. The instructions to sell assets must specify the assets we should sell, and the order in which we should sell them;

17.1.2 if we do not receive additional contributions and/or instructions to sell assets that would together provide sufficient cleared funds within one month (or such longer period as we allow) of our request, we reserve the right to arrange for assets to be sold in such order as we determine:

By joining the *scheme*, or applying for *dependant's, nominee's or successor's drawdown*, you agree and accept that in these circumstances you authorise us to sell assets as set out above.

17.2 We may make a charge to the *scheme* for co-ordinating the sale of assets under section 17.1.2 and will deduct this charge from *your member fund*. Please refer to the *schedule of fees and services* for the charges that will apply. This is in addition to other parties' costs incurred in valuing and selling the assets.

17.3 We will write to you as soon as practicable to confirm the intention to sell assets and the order in which we will do this. We will also write to confirm details after the assets have been sold and the amount of any charge made.

17.4 In some circumstances, it may be necessary to sell or cash in assets at whatever price is available at the time. This may result in the cashing in of assets when the relevant market is depressed. Assets may have to be cashed in:

17.4.1 to provide a lump sum death benefit (see section 26 for details of the time limits on payment of lump sum death benefits);

17.4.2 to facilitate other benefit payments; or

17.4.3 on implementing the *scheme* wind up provisions (as described in section 30).

17.5 As an alternative to cashing in assets in accordance with section 17.4, it may be possible to settle the transaction by a transfer of assets.

17.6 Cashing in any investment will be governed by the terms and conditions of that investment. Such terms and conditions may include a right for the investment provider to delay the cashing in.

17.7 In certain circumstances, as are notified to you from time to time, for example where any investment is not on or stops being on the *permitted investments list*, we may sell any investments in *your SIPP*. We will tell you if an investment is sold and the reasons for the sale. We are not liable or responsible for any loss or missed profit if we sell an investment under this section.

18. TIMELY EXECUTION

18.1 We will transact all investments as soon as is reasonably practicable after we receive complete and unambiguous instructions. You can obtain details of what is 'reasonably practicable' for a particular investment from your *adviser*. By transact we mean that we will have completed our part in the buying or selling process for that investment, such as filling in an application form or sending money to an appointed investment manager. As long as we have acted as soon as is reasonably practicable we are not liable or responsible for any loss or missed profit between the time that we received the instruction and the time that it was completed.

18.2 Where it has not been possible to sell an investment in *your SIPP* within such reasonable period as we determine and where permitted by the *FCA* and *HMRC*, then we may require you to purchase it at the higher of its current market value or £1.00. The charges described in the *schedule of fees and services* will apply.

19. MEMBER'S RETIREMENT

This section applies to *Member's* retirement benefit only

19.1 As part of the process to join the *scheme*, we require you to choose a retirement date – the date when you intend to take retirement benefits.

This date must be on or after your 55th birthday (on or after your 57th birthday from 6 April 2028), or such other date as may be your *minimum pension age*.

You may change your chosen retirement date (within the range allowed by HMRC rules), but if you do so you must inform us. You do not need to retire to take benefits.

You may be able to access benefits before your minimum pension age, if you are in ill health. If you are in ill health, please ask us for details.

Contributions can continue to your member fund even after you take retirement benefits in terms of sections 20 and 21.

19.2 Before you can take retirement benefits, there must be sufficient cleared money in the bank account relating to your member fund. To achieve this, assets may need to be realised (cashed in or sold) under the procedure set out in section 17. Some assets (for example, property) may take longer to realise than others. This could delay benefit payment. Alternatively, there is the option to make payment by way of an in-specie transfer of an asset.

19.3 The value of the member fund being used to provide tax free lump sum benefits must be tested against an allowance called the Lump Sum Allowance, set by HMRC. Any benefits taken above the Lump Sum Allowance will be subject to tax under PAYE at your marginal rate. We will deduct the tax charge due from the retirement benefits being taken and pass this to HMRC. For further details, please contact us.

19.4 The options for taking benefits from your member fund are:

19.4.1 A tax-free lump sum of up to 25% (in some circumstances it may be possible to take more than 25% tax free).

19.4.2 With the balance of your member fund (after the tax-free lump sum) you may:

(a) buy a lifetime annuity – see section 20, or subject to our agreement;

(b) choose drawdown - see section 21.

20. LIFETIME ANNUITY OPTION

A lifetime annuity pays an income for the rest of an individual's life. There are different ways in which a lifetime annuity can be paid. Please ask your adviser for more details if you are interested in this option.

The rules allow you to purchase a lifetime annuity with an insurance company using the value of the whole or part of your member fund. This is known as the open market option.

The lifetime annuity option is also available where income has been taken initially on the drawdown basis (see section 21).

We require the appropriate documentation to be completed before a lifetime annuity is purchased. You must agree the relevant amount to be transferred to the pension company to buy the lifetime annuity contract, and that you have no further interest in the member fund in respect of the amount used to buy the lifetime annuity.

21. DRAWDOWN

21.1 You may draw an income as drawdown from your member fund instead of buying a lifetime annuity. You can start drawdown at any time from your minimum pension age (or possibly earlier if you are in ill-health).

21.2 You may choose for drawdown income to be paid on a monthly, quarterly, half-yearly or yearly basis. We will require you to complete, and return to us, certain paperwork (which we will supply) before you can start drawdown.

21.3 Unless otherwise agreed between you and us, you may choose to take any level of income which may be permitted by the Finance Act from time to time. After taking a tax-free lump sum, you can choose not to take any income. You may also increase, reduce and/or ask us for an extra one-off drawdown, within any relevant limits. If you ask for a change in the level of drawdown, a charge may be incurred. Please refer to the schedule of fees and services for details of when this charge applies.

22. BENEFITS FOLLOWING A MEMBER'S DEATH

If you die with any remaining member fund it will be applied in accordance with the rules and the terms and conditions.

23. DEPENDANT'S OR NOMINEE'S PENSION

23.1 Where your eligible dependant or nominee has confirmed to us that any part of your member fund should be allocated to provide pension income to them, each specified eligible dependant or nominee must decide whether the part of the member fund allocated to them should be used to:

23.1.1 buy a lifetime annuity in their name (see section 20);

23.1.2 apply to take drawdown (see section 21).

If the *eligible dependant* or *nominee* applies for *drawdown*, the *eligible dependant*, or *nominee* must agree to the *terms and conditions*.

- 23.2 If any *eligible dependant* or *nominee* fails to decide which option should be used for pension income within two years of the date *we* first received notification of *your* death, or the date *we* could have first reasonably been expected to have known if earlier, *we* may instigate the purchase of a lifetime annuity for that person, from a pension provider that *we* choose.

24. **BENEFITS FOLLOWING DEATH OF DEPENDANT OR NOMINEE**

- 24.1 If a *dependant* or *nominee* dies while taking income through *drawdown*, the *dependant's* or *nominee's* *income withdrawal fund* may be paid as follows:

- 24.1.1 applied to provide *drawdown* for a *successor* nominated by the *dependant* or *nominee* pursuant to the *Finance Act*, subject to any tax that may be due;
- 24.1.2 paid as a lump sum, after deduction of any tax charge in accordance with section 27; or
- 24.1.3 paid as a lump sum to any charity or charities that the *dependant* or *nominee* specifies to *us*.

25. **BENEFITS FOLLOWING DEATH OF A SUCCESSOR**

- 25.1 If a *successor* dies while taking income through *drawdown*, the *successor's* *income withdrawal fund* may be paid as follows:

- 25.1.1 applied to provide *drawdown* for a *successor* nominated by the *successor* pursuant to the *Finance Act*, subject to any tax that may be due;
- 25.1.2 paid as a lump sum, after deduction of any tax charge in accordance with section 27; or
- 25.1.3 paid as a lump sum to any charity or charities that the *successor* specifies to *us*.

26. **LUMP SUM DEATH BENEFITS**

- 26.1 *We* may pay a lump sum from *your member fund* in accordance with the *rules* of the *scheme*. *We* will decide who should receive a lump sum, and how much, from the list of beneficiaries described in the *rules*. *You* can help *us* make this decision by giving *us* the names of the *nominees* to whom you would like *us* to pay the lump sum death benefit. These can include trustees of a trust. *We* are not obliged to follow *your* wishes. It may be possible for the recipient of a lump sum death benefit to request it to be paid as a pension instead.

- 26.2 Where the *member*, *dependant*, *nominee*, or *successor* dies before age 75 any payment out of an *uncrystallised* or *crystallised fund* in accordance with this section must be paid within two years of the date *we* first received notification of *your* death, or the date *we* could have first reasonably been expected to have known if earlier. If payment is not made within the two year period, , or is higher than the *Lump Sum and Death Benefit Allowance* as set at the time by HMRC, it will be taxed at the recipient's marginal rate.

27. **TAXATION OF PAYMENTS**

- 27.1 If *you* are receiving income payments from the *scheme*, the income *you* receive will be taxed under the Pay As You Earn (PAYE) system. *We* are only able to use the information provided to *us* at the outset and will contact HMRC to obtain the correct tax code, where *we* have not been provided with a valid P45 for the tax year. This may result in too much tax being collected and *you* may have to reclaim it directly from HMRC.

- 27.2 If *you* are receiving income payments from the *scheme*, *we* will provide *you* with a P60 at the end of each tax year showing the gross income paid, tax code used and details of any tax deducted.

28. **COMPLAINTS AND COMPENSATION**

- 28.1 Should *you* wish to register a complaint in relation to the operation of the *scheme*, *you* should do this verbally or in writing, addressed to *us*. *We* have the right to telephone *you*, or someone else nominated by *you*, to discuss any administrative aspects without having been expressly invited by *you* to do so.

- 28.2 If *you* are not satisfied with any aspect of the service that *you* have received from *us*, *we* have a formal complaints procedure, a copy of which is available on request.

- 28.3 If *you* are not happy with *our* response to *your* complaint, *you* may have the right to refer it to the Pensions Advisory Service ('PAS'), the Pensions Ombudsman ('PO') or the Financial Ombudsman Service ('FOS').

PAS is an independent non-profit organisation providing information and guidance on pensions to help pension scheme members who have a problem, complaint or dispute with their pension scheme.

FOS and PO are both independent statutory bodies that investigate and adjudicate on disputes between pension schemes and members, but only after *you* have complained to *us* and tried to resolve the dispute using *our* complaints procedure. *We* will tell *you* about any ombudsman referral rights *you* may have.

TPAS contact details:

The Pensions Advisory Service 11 Belgrave Road London SW1V 1RB Telephone: 0300 123 1047

FOS contact details:

The Financial Ombudsman Service Exchange Tower London E14 9SR Telephone: 0800 0234567

PO contact details:

The Office of the Pensions Ombudsman 11 Belgrave Road, London SW1V 1RB Telephone: 020 7630 2200

28.4 Compensation

The Financial Services Compensation Scheme (FSCS) is a scheme that provides limited compensation for customers who might otherwise lose out if a company regulated in the UK by the Financial Conduct Authority is unable to pay claims against it.

Investments in *your member fund* may be covered by the FSCS. Where compensation is available in respect of an investment in *your member fund*, we will make the claim on *your* behalf.

FSCS contact details:

Financial Services Compensation Scheme 10th Floor Beaufort House, 15 St Botolph Street London EC3A 7QU Telephone: 0800 678 1100

www.fscs.org.uk

Please ask *us* if *you* have any questions about the FSCS or the protection it provides.

29. **VARIATIONS TO THE TERMS AND CONDITIONS**

29.1 *We* reserve the right to amend or supplement the *terms and conditions* from time to time on giving 30 days' written notice (or such other period allowed or required by law) to *you*. *We* will send such written notice to the last address *you* gave *us*. The changes notified in this way will be effective from the date stated in the written notice.

During the notice period, if *you* are unhappy with the proposed amendment or supplementary terms and conditions that *we* provide, *we* will not increase the transfer out fees and charges and *you* will be free to transfer *your member fund* to another *registered pension scheme* (subject to the existing transfer out fees and charges). For the avoidance of doubt, any fees and charges involved in cashing in or selling assets will be at the rates applicable at the time of realisation and/or encashment, as appropriate.

29.2 *We* will only alter the *terms and conditions* for the following valid reasons:

- 29.2.1 relevant changes in pensions, tax or other relevant UK or European case law or legislation;
- 29.2.2 relevant changes in the reporting requirements, regulatory regime, relevant industry guidance and codes of practice (including recommendations or decisions by the *FCA*, the Financial Services Compensation Scheme, the Financial Ombudsman Service or the Pensions Ombudsman);
- 29.2.3 changes in how the London Stock Exchange or other different investment markets may work which may impact on the *scheme*;
- 29.2.4 changes in investment/share dealing or administration which may impact on the *scheme*;
- 29.2.5 to correct manifest errors or other issues outside *our* control and avoid cross-subsidy between *member funds* where the charges for any service is, in *our* opinion, no longer reasonable;
- 29.2.6 changes in ownership of *our* business or how it operates;
- 29.2.7 changes in *our* services;
- 29.2.8 changes to the services provided by third parties appointed under the *scheme*;
- 29.2.9 appointment by *us* of alternative third parties to provide services under the *scheme*;
- 29.2.10 any other reasonable issues outside *our* control.

30. WINDING UP OF THE SCHEME

- 30.1 The *terms and conditions* shall continue until *your member fund* has been extinguished by the payment of a transfer value to another *registered pension scheme* or the provision of pension/death benefits outside or the *scheme* is wound up in accordance with the *rules*.
- 30.2 On wind up, we will apply the assets of *your member fund* as set out in the *rules*.
- 30.3 On wind up, no fees or charges already paid shall be refunded and those due shall remain so and will include any charges associated with undertaking any transaction necessary to wind up the *scheme*. On wind up, the obligations of payment of charges in section 16 and the provisions in section 31 shall continue in full.
- 30.4 Wind up will be without prejudice to the completion of transactions already initiated. The *trustees* are authorised to continue to operate the *bank account* and any other accounts relating to *your member fund* to *our* order and direction for the purposes of receiving monies, paying benefits and paying any expenses or charges due to *us*, the establisher, the *scheme trustee* or other parties.

31. ADDITIONAL INFORMATION

- 31.1 We undertake not to disclose personal information coming into *our* possession at any time during the life of the *scheme*, except where expressly authorised to do so, or where required to do so by law.
- 31.2 The tax reliefs referred to in the *terms and conditions* are those available under current legislation, which may change. The value of the tax reliefs depend on individual circumstances.
- 31.3 Notwithstanding anything to the contrary in the *terms and conditions*, only those options described in the *terms and conditions* will be made available under the *scheme* unless we notify *you* in writing to the contrary.
- 31.4 We may decide to change the provisions of the *scheme's rules* to meet with any changes to law or regulation affecting the *scheme*.
- 31.5 Any notice we serve in relation to the *scheme* will be sent to *your* last known address for correspondence according to *our* records. Any such notice sent by post will be deemed to have been received by *you* within three working days.
- 31.6 You need to tell *us* as soon as *you* move to another address.
- 31.7 We have the right to delay calculation of any amount due under the *scheme* until we have received satisfactory proof of ownership. Similarly, the exercise of rights conferred by the *scheme* and payment of any benefit is subject to the satisfactory proof of ownership.
- 31.8 By agreeing to these *terms and conditions*, *you* agree that the law of England and Wales applies to the *scheme*.
- 31.9 Subject to 31.10, nothing in the *terms and conditions* expressly or impliedly confers any right on any third party to enforce any of its provisions under the Contracts (Rights of Third Parties) Act 1999. For the purpose of this section, a third party is any party which is not *us*, the establisher or the *scheme trustee*.
- 31.10 We, the *scheme trustee* and *you* can enforce the *terms and conditions*.
- 31.11 These *terms and conditions* will only apply provided they are not held by a relevant court or decided by the *FCA* to be unfair contract terms or reasonably considered by *us* to be unfair contract terms. If a term is held, viewed or considered to be unfair it will, as far as possible, still apply but without any part of it which could cause it to be held, viewed or considered unfair.
- 31.12 For the purposes of section 17 only, where *you* are unable to act due to serious ill health, physical or mental incapacity, we may at *our* sole discretion require medical advice to that effect (the cost of which will be met from the *your member fund*). Subject to such medical advice, we may accept the directions of any legally authorised party acting on *your* behalf. We, and the *scheme trustee* will not be liable for any or all losses, costs, actions, proceedings, claims and demands which may be incurred by or brought or made against any or all of *us* or them arising directly or indirectly from *us* or them having acted in good faith (as described in this section).

32. LIABILITY AND INDEMNITY

- 32.1 By accepting the *terms and conditions*, *you* waive any and all claims or rights of action that *you* may otherwise have apart from claims and rights set out in these *terms and conditions*. This waiver extends to claims and rights of action at any time against any previous, current or future officers, employees, agents and sub-contractors of *ours*, or of any company within *our* group of companies, regarding any acts or omissions of such officers, employees, agents and sub-contractors in relation to *your member fund*.
- 32.2 To the extent allowed by law and *FCA* rules, we do not accept liability:

- 32.2.1 for any or all losses, costs, actions, proceedings, claims and demands which may be incurred by or brought or made against *us* arising directly or indirectly from *us* having acted in good faith pursuant to any purported instruction relating to benefit options or nominations and any purported investment directions;
- 32.2.2 to *you* or any other person entitled to benefit under the *scheme* for any loss that may be incurred as a result of any error by *you* as a direct result of *our* negligence, wilful default or fraud;
- 32.2.3 for any instruction or investment direction sent by *you*, or *your* representatives or agents, but not received by *us*;
- 32.2.4 for any failure or delay in implementing any instruction or investment direction which is caused by circumstances beyond *our* reasonable control, including but not limited to acts of God, fires, strikes, terrorism, power failures, intervention by exchanges or regulators, court orders, failure or error of any equipment, telecommunications, intermediary, exchange, counterparty product provider or bank; and
- 32.2.5 for default or any losses whatsoever caused by any third parties, *nominees*, other custodians, banks or authorised institutions which hold any assets including, but not limited to, insurance company unit-linked funds, stocks and shares, unit trusts, Open-Ended Investment Companies (OEICs) and investment trust companies and cash for the purpose of *your member fund*.
- 32.3 In accepting the *terms and conditions*, *you* agree that *you* will be responsible to *us* for all reasonable costs, claims, expenses, tax charges, demands and losses whatsoever that *we* may suffer or incur in performing *our* duties under the *terms and conditions* or carrying out *our* lawful duties and responsibilities in relation to *you* and *your member fund*. *You* will not, however, be responsible for any costs, claims, expenses, tax charges, demands and losses resulting directly from any negligence, wilful default or fraud committed by *us* or *our* employees

33. GLOSSARY

The following words and expressions, which appear in italics, have the meanings as set out below:

adviser means a financial adviser who is authorised and regulated by the *FCA* and is appointed by *you* to receive communications in respect of *your SIPP* and may include giving instructions on *your* behalf on all matters concerning *your SIPP* including buying and selling investments.

annual allowance means the annual allowance under section 228 of the *Finance Act*;

bank account means the bank account described in section 9.

commercial property means any land or building that is zoned, designed or intended for use by businesses such as offices, retail, leisure and industrial developments and such other property as may be included on the *permitted investments list* from time to time but not 'residential property' for the purposes of the taxable property provisions as defined in paragraphs 7 to 10 of Schedule 29A of the *Finance Act*.

dependant means:

- an *eligible dependant* who has applied to take benefits, and has been accepted under section 4.3 (Membership) to receive benefits in the form of *drawdown*; or
- a person who has become entitled to *drawdown* on the death of a member under another *registered pension scheme* and who transfers that entitlement to the *scheme* in accordance with section 7.1

and has not subsequently died or left the scheme.

drawdown means income withdrawals direct from *your member fund*. Please see section 21 for further details.

eligible dependant means, in relation to a *member*, a person falling within any of the following categories at the date of their death:

- the member's wife, husband or civil partner;
- any child of the *member* who has not reached the age of 23 (any pension to a child will cease on the child's 23rd birthday unless the child is also dependent or mutually dependent on the *member* because of physical or mental impairment);
- any child of the *member* who has reached the age of 23 and in *our* opinion is dependent on the *member* because of physical or mental impairment; or

- any other individual who in *our* opinion is financially dependent on the *member*, or who is in a mutually dependent financial relationship with the *member* or is dependent on the *member* because of physical or mental impairment.

elite member means an individual who we have agreed to admit to the *scheme* as an Elite Member under the *rules*.

establisher means Talbot and Muir Limited or any successor appointed for the time being in accordance with the *rules*.

FCA means the Financial Conduct Authority.

Finance Act means the Finance Act 2004 as amended from time to time and any subsequent relevant Finance Acts.

HMRC means His Majesty's Revenue & Customs.

income withdrawal fund means any part of an *member fund* which is designated as available for the provision of *drawdown*.

lifetime annuity means an annuity contract purchased from an insurance company, which provides an income for life.

Lump Sum and Death Benefit Allowance means the maximum amount available to draw tax free lump sums from during both the members life and designation of their death benefits.

member trustee means the *member* appointed as a *trustee*, as described in section 3.

minimum pension age means normal minimum pension age under the *Finance Act*, or such other earlier age registered for protection in relation to a specific *member* with *HMRC*.

money purchase annual allowance means the reduced limits imposed in relation to the annual allowance under section 227ZA of the *Finance Act* applicable when benefits are first taken either from a flexi-access drawdown fund, or as an *uncrystallised fund pension lump sum*.

permitted investments list means the current list of investments permitted (at *our* sole discretion) by *us* and compatible with the *scheme*'s continued status as a *registered pension scheme*, as published by *us* from time to time.

registered pension scheme means a pension scheme registered under Part 4 of the *Finance Act*.

rules means the trust deed and rules that established and govern the *scheme*, as amended from time to time.

schedule of fees and services means the most recent schedule setting out the fees for services provided to *you* under the *scheme* as *we* may at *our* discretion amend or alter from time to time.

scheme means the Elite Retirement Account governed by the *rules*.

scheme administrator means Talbot and Muir Limited or any successor appointed for the time being in accordance with the *rules*.

scheme trustee means TM Trustees Limited or its successor as appointed as the scheme administrator in accordance with the *rules*.

simple member means an individual who has been admitted to the scheme under the *rules* as a Simple Member.

tapering provisions means the provisions for the reduction of the annual allowance of certain higher-income individuals under section 228ZA of the *Finance Act*.

terms and conditions means these terms and conditions as amended from time to time.

trustees mean, jointly, the *scheme trustee*, any *member trustee* and any other person who may be appointed as a trustee from time to time.

unauthorised payment means an unauthorised payment (as defined in section 160(5) of the *Finance Act*), which attracts tax charges.

uncrystallised fund means, in relation to a *member* only, any part of *your* member fund that has not been applied towards the provision of any benefit under the *scheme*.

uncrystallised fund pension lump sum has the meaning given in the *Finance Act* and means a lump sum paid from *your uncrystallised fund*.

your SIPP means the self-invested personal pension product issued under the **scheme**.

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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.

T&C01 TM -SP 20240814