



The  
**GPC SIPP**  
Providing Pension Trustee & Administration  
Services for Self-Administered Pensions

# Self Invested Personal Pension

## Key Features

(Version May 2019)



The Financial Conduct Authority is a financial services regulator. It requires us, GPC SIPP Ltd to give you this important information to help you to decide whether our GPC SIPP 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.

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GPC SIPP Ltd is a member of the Association of Member Directed Pension Schemes  
GPC SIPP Ltd is authorised and regulated by the Financial Conduct Authority

## Self Invested Personal Pension (“SIPP”)

### Key Features

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## 1 Introduction

This document outlines the major features of the GPC SIPP. If you require advice as to whether a SIPP is suitable for you, we strongly recommend that you contact your Financial Adviser.

The GPC SIPP is a pension plan for someone who wishes to take control of their investments. The SIPP can receive regular or one-off contributions at whatever level you feel is appropriate. There are no minimum or maximum contribution limits, although there are limits on the level of contributions that are eligible for tax relief and contributions in excess of this level may incur a tax charge imposed by HMRC.

The GPC SIPP exists under irrevocable trust and is governed by a Trust Deed and Rules (a copy of which can be obtained from the address shown in section 7). You will normally be appointed as a joint trustee of your SIPP with Guardian Pension Trustees Ltd (GPTL), our corporate Trustee Company. An interest-bearing current account will be opened with Royal Bank of Scotland for your SIPP, on which you will be a counter-signatory.

Guardian Pension Trustees Limited (GPTL) is the trustee of the Scheme but delegates the day-to-day administration to GPC SIPP Ltd. GPC SIPP Ltd deal with all aspects of the administration of your scheme and can be contacted at the address shown in section 7.

## 2. The GPC SIPP

### Its aims

- To provide you with a means to save for your retirement in a tax-privileged manner.
- To provide you with a lump sum and flexible income when you retire, without having to buy an annuity (although you still have that choice).
- To enable you to transfer your existing pension benefits (with certain exceptions) into the SIPP.
- To enable you to make your own investment decisions, in conjunction with your adviser, even when you are drawing an income.
- To enable you to invest in a diverse range of investments, including commercial property (restrictions apply).
- To provide a lump sum and/or pension benefits for your spouse, civil partner, dependants, nominee and successor in the event of your death.

### Your Commitment

- To pay at least one contribution or a transfer from an existing pension into your SIPP. Where transferring from an existing pension into your SIPP, to seek professional advice from your chosen adviser.
- To normally, wait until you are at least age 55 before you can draw any benefits.
- To regularly review your contribution levels, investment strategy and benefit levels (under drawdown) with your own adviser.
- To comply with our Terms of Business, Trust Deed & Rules, and to pay the SIPP charges set out in the Fee Schedule (copies of these documents can be obtained by contacting the office at the address shown in section 7).
- To keep an on-going minimum balance of £1,000 in your SIPP bank account.
- To notify us immediately of any changes to your personal circumstances that might affect your SIPP, including your eligibility for tax relief on your contributions.

### 3 The Risks

- By transferring other pension benefits into your SIPP you may be giving up the right to guarantees in the form of benefits, the amount you (and possibly your dependants) will receive and also the level of increases that will be applied to your pension in future.
- By transferring other pension benefits into your SIPP, you may be giving up the right to receive a terminal bonus on with-profits pension plans.
- The value of investments can fall as well as rise. Past performance is not a guarantee of future returns.
- Your SIPP will be able to invest in a range of investments, each of which carries a different level of risk. You should therefore understand the risk profile of your different investments. In many cases, investments will have their own version of a key features document which will explain the investment in greater detail.
- The cost effectiveness of your SIPP will depend on a number of factors, including the size of your SIPP in relation to the initial and on-going costs (which may rise in the future), the type of investments held and the size and frequency of your investment actions.
- If you have a smaller fund, the value of your SIPP may be quickly eroded and the costs may have a disproportionate effect on the value of your SIPP.
- High income withdrawals may not be sustainable. The higher the pension you choose to receive, the higher the probability that your fund will be eroded more quickly and your pension may have to reduce in the future.
- There is no guarantee that income withdrawal from your SIPP will be as high as that provided by an annuity.
- Pensions and tax legislation and tax rates may change and create additional tax liabilities on you or your pension fund.
- Your benefits are dependent upon a number of factors. Although not a complete list, these factors include future contribution levels, the age at which you commence benefits and external influences such as investment returns, inflation, interest rates, annuity rates and charges.
- The investment returns on your fund may be less than those shown in any illustrations you may receive from us, or from your adviser.
- You will not normally be able to commence benefits until you reach the minimum pension age of 55.
- GPC SIPP Ltd nor Guardian Pension Trustees Ltd do not provide any investment or financial advice. If you are unsure as to the suitability of a SIPP then please contact your financial adviser.

### 4 The GPC SIPP Structure

It is a personal pension that allows you to invest in a wide range of investments.

You will normally be appointed as a joint trustee of your SIPP, with GPTL. Investments will be held in the name of the trustees, or their nominees and you will be a co-signatory to the trustees' SIPP current account.

This gives you greater control than some other SIPP's, where assets may be held under the sole legal ownership of the professional trustee, and where the professional trustee may be the sole signatory on the designated bank account. If you establish a GPC SIPP you will become a member of the Self Invested Personal Pension scheme, which is a personal pension scheme registered with Her Majesty's Revenue & Customs (HMRC) under Chapter 2 of Part 4 of Finance Act 2004.

The scheme is governed by a trust deed and rules, as amended from time to time. This key features document summarises the main provisions of the rules and of the HMRC regulations that apply to your SIPP. However, in

the event of any discrepancy between the Key Features and the Trust Deed and Rules, the Trust Deed and Rules will prevail.

Please read these Key Features carefully before completing the application form. A copy of the current Trust Deed and Rules is available from your adviser (or from the address shown in section 7) on request.

## **5 Frequently Asked ‘Questions and Answers’**

### **What is a SIPP?**

A SIPP is a registered pension scheme that benefits from the same tax incentives granted to other more traditional pension schemes, but with the added benefit of greater investment flexibility.

### **Can I have a SIPP?**

You can have a SIPP regardless of your employment status. Employed, self-employed, unemployed, students and pensioners are all allowed to establish a SIPP. Stakeholder Pension schemes are generally available and may meet your needs as well as the GPC SIPP, so we recommend that you consult with your adviser to see if this product suits your individual circumstances. A SIPP can also be established for a child under the age of 16, by a parent or legal guardian. Contributions can now be paid by members over 75 but will not receive the relevant amount of tax relief.

If you have earnings that are subject to UK tax, or have no earnings but are resident in the UK for tax purposes, then contributions can be paid to the SIPP by you, or by someone else on your behalf (e.g. your employer or your spouse).

### **Can I have a SIPP whilst participating in an employer’s scheme?**

You can run a SIPP alongside any other pension schemes you may already have. You may also transfer payments representing your pension rights held in other UK registered pension schemes into your SIPP, whether or not contributions are being paid by you, or on your behalf.

We strongly recommend that financial advice is taken before transferring other pension arrangements to a SIPP.

### **What tax benefits are available?**

No UK tax on income or capital gains is normally payable by your pension fund, with the exception of share dividends where the tax credit paid is not recoverable.

Personal contributions usually qualify for full tax relief, including tax relief at the higher rate, where appropriate. This is provided that contributions to this and any other pension schemes you may have, are less than (or equal to) the lower of your earnings and the annual allowance set by HMRC.

You pay contributions net of basic rate tax and we claim the basic rate tax relief and add it to your SIPP; hence to invest £100 (assuming basic rate tax of 20%) you would only need to pay in £80. If you are a higher rate tax payer you can apply to claim any further tax relief that may be due, through your tax office.

If your employer also makes contributions, their contributions will be made gross and may be treated as an allowable deduction from their company’s profits (at the discretion of their local inspector of taxes).

You can take an amount directly from pension savings with 25% taken tax free (subject to the lifetime allowance) when you start to draw benefits.

### **Can I make contributions into my SIPP?**

Your SIPP is a truly flexible investment vehicle. It allows you to increase or decrease the level of contributions that you make. You may stop, start and vary the level of contributions as often as you wish. Contributions may even be made by another person for you (e.g. employer, spouse, civil partner, parent, grandparent). You may opt to pay a single lump sum contribution and/or lump sums on an ad hoc basis as you wish.

**Please note** that if you have registered with HMRC for enhanced protection for pension rights accumulated before 6<sup>th</sup> April 2006, or fixed protection for pension rights accumulated before 6<sup>th</sup> April 2012 and Fixed Protection 2016 or FP2014, the payment of any contribution into your SIPP will lead to the loss of this protection.

### **How will my contributions be invested?**

This is for you to decide, however we recommend that you make your investment decisions in conjunction with your Financial Adviser. GPC SIPP will allow investments in UK Commercial Property and regulated investments only. We will not allow investments in unregulated products, or where an investment creates the potential for a legal or tax liability, or a regulatory breach.

A few examples of investments currently held in our SIPPs include:

- Quoted stocks and shares on the UK stock exchange
- Investment trusts
- Gilts
- Unit trusts
- Open ended investment companies (OEIC's)
- Commercial property and land in the UK
- UK Bank and building society accounts

Your SIPP can enter into investment transactions with third parties and also with you or persons connected with you, provided that such transactions can be shown to be on a fully commercial basis. This means that your SIPP could buy, sell or lease property to you or your business provided that the transaction takes place at what is deemed to be fair market value. Your SIPP can also be used to jointly purchase property with other individuals.

Your SIPP can also borrow funds from a commercial lending institution to assist with the purchase of property and land. Current legislation limits the amount that you can borrow to 50% of the net asset value of your SIPP.

Your SIPP will have its own interest-bearing current account with Royal Bank of Scotland.

We can accept no responsibility to you in relation to the performance of any investment or any losses, liabilities arising from, or loss of profits from, any investments or investment transactions.

**How much can I invest in my SIPP?**

You can invest as much as you like. However, when your personal contributions exceed the Annual Allowance you will not (normally) qualify for tax relief on the excess, HMRC will impose tax charges for contributions over the annual allowance. Your annual limit is the greater of 100% of earnings before tax (up to £40,000 in 2019-2020) and £3,600. If you are in receipt of an income from Flexi Access Drawdown or have taken an Uncrystallised Fund Pension Lump Sum the Money Purchase Annual Allowance will be applicable which is currently £4,000 per annum.

If total contributions (i.e. personal and employer) exceed the annual allowance of £40,000, then you will be taxed at your highest marginal rate of tax on the excess.

The maximum pension fund you can normally accrue in your lifetime (in all pension arrangements) without incurring tax charges is currently £1.055 million (2019/2020). This is known as the lifetime allowance. You will be taxed on any excess unless you have protection granted by HMRC.

**Can I transfer my existing pension into my SIPP?**

You can transfer benefits from any UK registered pension scheme into your SIPP.

Transfer of benefits from an existing personal pension scheme is also possible after commencement of capped drawdown (but the value of those benefits will be held separately from the other benefits under your SIPP). The maximum income limit will be reviewed at the start of the next 3- year reference period as determined by the transferring scheme.

**Can I transfer my SIPP to another pension?**

You can transfer your SIPP as a whole (or in part, if uncrystallised) to another UK registered pension scheme or, subject to conditions, to a qualifying recognised overseas pension scheme at any time.

**What is Capped Drawdown?**

This option was available to members aged 55 or earlier if you suffered from ill health and commenced retirement prior to 5<sup>th</sup> April 2015.

This option is no longer available for anyone wishing to commence a new drawdown plan after 6<sup>th</sup> April 2015 but for anyone who was in capped drawdown prior to this date this retirement option is still available.

Capped-drawdown allows you to take regular payments or one-off payments to suit your individual circumstances, subject to statutory maximum income levels. The maximum income limit is determined by the size of your fund, your age and the 'basis amount' as prescribed by the Government Actuary's Department (GAD). Maximum income levels will be reviewed every three years or annually once you attain the age of 75. Income withdrawals are treated as earned income and taxed under the PAYE system.

If the maximum income levels are exceeded the fund will automatically convert to Flexi Access Drawdown and you will be subject to the Money Purchase Annual Allowance (MPAA) which means that the annual allowance in respect of contributions will be £4,000 rather than the £40,000 for 2019/2020.

### **What is Flexi-Access Drawdown**

This option is available with your SIPP (provided that you are aged 55 or over, or earlier if you suffer from ill health) that allows you to drawdown any amount over whatever period you choose, subject to there being liquidity within the SIPP.

A tax free lump sum of up to 25% (PCLS) can be accessed subject to the Lifetime allowance.

Payments from Flexi-Access Drawdown will be taxable as a pension (PAYE).

Income is payable from crystallised funds and receiving income from Flexi Access Drawdown will trigger the MPAA(see above) in respect of contributions which is currently £4,000 (2019/2020).

### **What is Uncrystallised Funds Pension Lump Sum (UFPLS)**

Provided you are aged 55 or over (or earlier if you suffer from ill health) and have uncrystallised funds you will be able to exercise this option and receive a lump sum payment from your SIPP. This can be any amount you choose up to the value of your pension fund (subject to the Lifetime allowance), up to 25% will be paid tax free with the remaining balance taxable as if it was pension and paid via payroll and subject to your marginal rate of income tax (PAYE) subject to there being liquidity within the SIPP.

Members who have accessed benefits via UFPLS will be subject to the MPAA.

### **What happens if I die before taking benefits?**

If you die before reaching age 75, the full value of your fund can be paid as a lump sum or as an income drawdown pension tax free to your nominated beneficiaries, subject to the lifetime allowance.

Lump sum payments must be paid within 2 years of the member's death (or within 2 years of the Scheme Administrator reasonably knowing of the death), otherwise it will be taxed at the recipient's marginal rate of tax.

Income drawdown must be nominated to a beneficiary within 2 years of death (designated to a beneficiary).

If you should die after reaching age 75 any beneficiary can take an Income drawdown or a lump sum (or combination) subject to their marginal rate of tax or a 45% charge if paid as a lump sum to a trust.

You should discuss your retirement options with your financial advisor or free and impartial advice can be accessed from Pension Wise which is a service introduced by the Government, website address [www.pensionwise.gov.uk](http://www.pensionwise.gov.uk)

### **What happens if I die whilst taking my benefits?**

In this circumstance your spouse/civil partner, beneficiary, nominee or successor has three options:

- Continue taking income withdrawals.
- Purchase an annuity with the fund.
- Take a cash lump sum.

If circumstances are that there is no surviving spouse, civil partner or dependant, a cash lump sum can be paid to your beneficiaries, nominee or successor or it can be paid tax free to charity (as long as you have completed a nomination form in favour of the charity).

You should discuss payment of death benefits with your financial adviser.



**What do I need to know with regards to an Annuity?**

An annuity is purchased from an insurance company of your choice using the value of your SIPP pension fund. The annuity will provide you with a regular income for the remainder of your life. Many annuities can also continue to pay an income to a dependent such as a spouse or civil partner after your death.

The level of annuity you can purchase will depend primarily, though not exclusively, on the value of your fund, the annuity rates at the date of purchase and your age at the time of purchase.

The level of your annuity can be for a fixed amount or may rise each year in line with 'cost of living' increases. The annuity income payments may also be guaranteed for a fixed period of time up to ten years (this means that if you die within the guarantee period, the annuity income continues to be paid for the balance of the guarantee period).

You may purchase an annuity from any life insurer of your choice. You may choose to buy an annuity at any time from age 55 (earlier if you suffer from ill health). You may also choose not to purchase an annuity and to rely solely on drawdown.

We strongly recommend that you discuss these choices with your adviser.

We will provide you with the value of your fund prior to your retirement date.

**What are the charges for my SIPP?**

Please refer to our fee schedule which gives a comprehensive breakdown of all charges relating to the set up and on-going management of your SIPP. Your adviser will provide you with this before you decide to set up a SIPP. We will also provide you with this when your SIPP has been set up. Any charges for advice are between you and your chosen adviser.

We will only deduct fees to be paid to your adviser with your written consent.

GPC SIPP LTD are not authorised to give advice.

## 6 Further Information

### Your right to change your mind

You have the legal right to cancel your SIPP within 30 days if you change your mind. Once we have accepted your application we will send you a cancellation notice which gives you 30 days from receipt of this notice to cancel your GPC SIPP. Cancellation rights also apply to transfers and the commencement of Drawdown (if this option is selected).

In certain circumstances, you may waive your cancellation rights if you wish to purchase any investments during the cancellation period, however by doing so you lose your rights under the cancellation notice.

If you cancel within the statutory period you will receive a refund of any cash contributions made. Any such refund will not take account of any adviser charges owed to your adviser; consequently, you may still remain liable to pay any outstanding adviser charges. If a transfer payment has been paid into your SIPP we will endeavour to repay this amount to the transferring scheme although this may not always be possible. In these circumstances you will need to arrange for another registered pension scheme to accept the transfer.

If you have made a one-off contribution during the cancellation period and the value of any underlying investments has fallen, then an amount equal to the fall in value may be deducted.

If you wish to cancel your SIPP during the cancellation period, please write to us at:

GPC SIPP Ltd  
Guardian House  
Capricorn Park  
Blakewater Road  
Blackburn  
Lancashire  
BB1 5QR

Tel: 01254 660333

### Compensation

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation if we cannot meet our obligations. Further information on this scheme can be found at: [www.fscs.org.uk](http://www.fscs.org.uk)

### About GPC SIPP Ltd.

We are authorised and regulated by the Financial Conduct Authority (FCA). Our FCA registration number is 463717. You may check this on the FCA register by visiting their website at: [www.fca.org.uk](http://www.fca.org.uk) or by telephoning them on 0800 111 6768.

### Important

Address: Guardian House, Capricorn Park, Blakewater Road, Blackburn, BB1 5QR  
Tel: 01254 660333 Fax: 01254 268531  
Website: [www.gpcsipp.co.uk](http://www.gpcsipp.co.uk)  
Email Address: [info@gpcsipp.co.uk](mailto:info@gpcsipp.co.uk)

The information contained within this document is based on our understanding of current law, practice and taxation which may be subject to change.

The GPC SIPP is governed by a Trust Deed and Rules as amended from time to time. This document summarises the main provisions of the rules and of the HMRC regulations. However, in the event of any discrepancy between this document and the Trust Deed and Rules it is the Trust Deed and Rules that will take priority.

## 7 Contact Details & Complaints

You may contact us at the following address:

GPC SIPP Ltd  
Guardian House  
Capricorn Park  
Blakewater Road  
Blackburn  
Tel: 01254 660333 Fax: 01254 268531  
Email: [info@gpcsipp.co.uk](mailto:info@gpcsipp.co.uk)  
Web: [www.gpcsipp.co.uk](http://www.gpcsipp.co.uk)

GPC SIPP Ltd aims to provide a first-class service at all times. However, we recognise that occasionally things do not always go to plan and if you do have cause to complain please write to the Compliance Officer, in the first instance, at the company address shown above.

If your complaint is not dealt with to your satisfaction, you can write to:

The Financial Ombudsman Service  
Exchange Tower  
Harbour Exchange  
London  
E14 9SR  
Tel: 0800 023 4567  
[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

Complaints relating to the administration of personal pension schemes can also be dealt with by the Pensions Ombudsman. The correspondence address for both these services is:

10 South Colonnade  
Canary Wharf  
E14 4PU

This will not affect your legal rights.