

SHARE DEALING

INVESTMENT MANAGEMENT

Your guide to

# Self Invested Personal Pensions (SIPPs)

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A flexible way to manage your pension arrangements



# Self Invested Personal Pension Services

Since Self Invested Personal Pensions (SIPPs) were launched in 1990, the momentum behind this style of pension arrangement has gathered pace, boosted by the changes to the pension rules brought in on 'A-Day,' in April 2006, along with more recent changes from the Finance Bill 2011.

As a result this sector of the pensions market has grown by more than 32 per cent since 2009. It is estimated that there is more than £67.9bn\* currently held in 584,755\* SIPP funds and it is expected that there will be over one million SIPPs in force over the next five years.

In addition to the capital gains, income and inheritance tax benefits offered by all pension arrangements, SIPPs offer three main advantages over a traditional pension: **control**, **flexibility** and **transparency**.

By having better control over your fund you will avoid being locked into a poorly performing investment fund or manager. You can design the portfolio to suit your requirements and modify it as your fund matures and your requirements for income increase, for instance if you begin to take benefits from the fund from the age of 55. Investments can be switched in a simple telephone call.

\*Taken from a survey of 70 providers

The greater flexibility afforded by SIPPs allows you to vary payments into your fund and the benefits you take out of it in retirement.

The higher levels of transparency allow you to see exactly what your fund is invested into. The charges are also transparent, allowing you to see how much you are paying to each party involved in the administration of your fund ~ the pension trustee, your stockbroker and your advisor.

## Relieve Your Tax Burden

Tax relief on contributions is available at your current marginal rate of tax. 20 per cent will be claimed by your SIPP provider, with further relief claimed via your tax self-assessment.

You can usually withdraw 25 per cent as a tax-free lump sum and draw an income from the age of 55. Please note that there is no longer a requirement to secure income via an annuity by age 75.

### **New And Upcoming Policy Changes:**

- The annual allowance for your SIPP is now set at £50,000. This amount is down from £255,000 but you can now carry your annual allowance forward three years;
- The income withdrawal methods of Alternatively Secured Pensions (ASP) and Unsecured Pensions (USP) have both been removed and replaced by income and flexible drawdown;
- From 6th April 2012 your lifetime allowance will come down from £1.8m to £1.5m.

## **Pension Services**

We offer a range of SIPP services, from our low-cost basic SIPP with *Sippdealxtra*, through to dealing services for SIPPs held with most of the major SIPP providers.

If you want some property exposure we can work alongside your existing pension provider and its property team

to allow you to invest your fund into a diversified range of investments.



# The Redmayne-Bentley SIPP

This low-cost, simple offering through *Sippdealxtra* is ideal for anyone who doesn't want pensions advice and because it does not allow property investment, it is designed for those looking to invest in the stock market.

With an annual charge of as little as £25 per quarter plus VAT this SIPP will appeal especially to those with a small fund, such as people in the contributory stages. All levels of our service are available, from Execution-Only dealing to Advisory and Discretionary investment management.

Execution-only share dealing is appropriate for people with the time, interest and knowledge to dedicate to looking at investments themselves and watching them for the appropriate moment to buy or sell.

The Advisory service is designed for people with all levels of experience who want to take an active interest and be in control of the construction and ongoing maintenance of their portfolio, but wish to take advice on the strategy employed and the assets to be held.

The Discretionary investment management service is particularly suited to people who want to be kept up-to-date with their finances, but either do not have the knowledge or expertise to manage their own portfolio, or do not want to monitor their investments on an active basis ~ perhaps because they lead busy day-to-day lives or because they are enjoying retirement and wish to travel.

# Sippdealxtra Charges

<i>Sippdealxtra</i> Charges	
Establishment Fee	Nil
<i>Quarterly Administration Fee:</i>	
Fund value <£25,000	£25
Fund value £25,000–£50,000	£35
Fund value >£50,000	£45
Transfer-in Fee	£60
<i>Income Withdrawal:</i>	
Income Drawdown	£150 pa*
Designation of additional funds to an existing income drawdown	£75
Designation of funds to flexible drawdown	£75
Transfer-out to another Pension Scheme, Annuity Purchase or Closure	£75
Insufficient Fund Charge (eg to pay fees)	£25
Payment of death benefits	Time/cost Basis

*Sippdealxtra* does not charge any additional transaction fees and we only charge our standard commission rates and any investment management fees.

In order to apply go to [www.redmayne.co.uk](http://www.redmayne.co.uk) and you will find a link through to the *Sippdealxtra* website where additional information is available, including the online application facility.

\*This charge is payable annually in advance and becomes payable immediately when funds are designated to drawdown.

All charges exclude VAT.

# The Redmayne-Bentley SIPP with Pensions Advice

This service, available through *Sippcentre*, is similar to the Redmayne-Bentley pension without advice, as previously described. It too is very low cost and allows investment in property.\*

The business must be introduced through a financial advisor and their commission is paid directly from the fund.

Your advisor will be able to answer any questions you may have regarding your fund, such as how much you can contribute and how much you can expect to receive if you wish to begin taking benefits. You can still take advantage of all levels of our service, from Execution-Only dealing to Advisory and Discretionary investment management.

\*Additional charges apply.

# Sippcentre Charges

<i>Sippdealxtra</i> Charges	
Establishment Fee	£120
<i>Quarterly Administration Fee:</i>	
Fund value <£25,000	£25
Fund value £25,000–£50,000	£35
Fund value >£50,000	£45
Transfer-in Fee ~ per transfer (maximum five charges)	£60
<i>Income Withdrawal:</i>	
Income Drawdown	£150 pa*
Designation of additional funds to an existing income drawdown	£75
Designation of funds to flexible drawdown	£75
Transfer-out to another Pension Scheme, Annuity Purchase or Closure	£75
Insufficient Fund Charge (eg to pay fees)	£25
Payment of death benefits	Time/cost Basis

*Sippcentre* does not charge any additional transaction fees and we only charge our standard commission rates and any investment management fees. Your advisor will agree a commission level with you (up to three per cent initially and one per cent annually) and that will be deducted from your fund.

In order to apply, please contact your financial advisor.

\*This charge is payable annually in advance and becomes payable immediately when funds are designated to drawdown.

All charges exclude VAT.


# Other SIPPs

In addition to the two Redmayne-Bentley SIPPs, we also offer dealing services for SIPPs opened with most other major pension providers.

If you wish to nominate Redmayne-Bentley as your stockbroker we will send out the relevant forms. This may appeal to you if you already have an established relationship with a SIPP provider and are simply looking for a stockbroker.

The charges on these funds vary from provider to provider, but in each case, we will only charge our standard commission and any investment management fees. You can take advantage of all levels of our service, from Execution-Only dealing to Advisory and Discretionary investment management.

Alternatively, you can choose your own trustee and administrator ~ a large list of SIPP trustees is available on the Association of Member Directed Pension Schemes website at [www.ampsonline.co.uk](http://www.ampsonline.co.uk) ~ and we can still manage the portfolio for you.

 **To discuss which level of service is most appropriate for you contact your local branch, visit [www.redmayne.co.uk/branch](http://www.redmayne.co.uk/branch) or call 0113 200 6460**

# Permitted Investments

The permitted investments are governed by HM Revenue & Customs (HMRC) regulations and are detailed in full on most SIPP provider websites. A broad outline of permitted investments is outlined below:

- Stocks and shares of companies, including investment trusts, on any stock exchange recognised by HMRC, including AIM;
- Authorised Unit Trusts;
- Warrants, futures and options (allowed in both the *Sippdealxtra* and *Sippcentre* SIPPs, but may be restricted by the trust deed of other pensions. Please check with your provider before dealing).

# The Next Step

If you wish to discuss the merits of a SIPP, contribution levels or whether to begin taking benefits from your fund. Redmayne-Bentley can put you in touch with a trusted financial advisor as we cannot provide pensions advice.

***Sippdealxtra* SIPP** (see pages 4-5) to make an application visit [www.redmayne.co.uk/sipp](http://www.redmayne.co.uk/sipp) and follow the links from the Info Point to the ***Sippdealxtra*** website.

***Sippcentre* SIPP** (see pages 6-7), please visit your financial advisor and they will make the application on your behalf.

For **other self invested pensions** please contact your local branch, visit [www.redmayne.co.uk/branch](http://www.redmayne.co.uk/branch) or call on **0113 200 6584** and we will be happy to send out the relevant documentation.

# About Redmayne-Bentley

At Redmayne-Bentley, we have been dealing for private clients since 1875 and have always maintained a friendly and helpful manner. We have long advocated making stock market investment accessible to everyone and are particularly supportive of any new developments within the industry which work towards this.

We will be happy to help in person or by telephone through our network of local branches throughout the UK and Ireland.

Our friendly and personal service has repeatedly been recognised with quality service awards from the *Daily Telegraph*, *Investors' Chronicle* and *Shares Magazine*.

For more information visit [www.redmayne.co.uk/awards](http://www.redmayne.co.uk/awards)



## Safeguarding Your Investments

We participate in the Financial Services Compensation Scheme for Investments (applicable to UK residents only). Payments under the scheme for Retail Clients' Investments should we be declared in default are limited to £50,000. Monies held on deposit with us on your behalf are separately covered under the Deposits scheme up to the sum of £85,000 per individual, per institution. In accordance with FSA guidance, we segregate client money and hold it under the protection of the UK Financial Services Compensation Scheme.

Additionally we have arranged an insurance policy to cover each claim on Nominee client assets with us up to £10,000,000. Please note that these terms do not apply to assets outside the Nominee Service and do not apply to other types of client.

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