Self-Select Pension

# Key Features

WEALTH at work

part of the Wealth at Work group

The Financial Conduct Authority is the independent financial services regulator. It requires us, Wealth at Work Limited, to give you this important information to help you to decide whether our Self Invested Personal Pension 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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## Introduction

The WEALTH at work Self Invested Personal Pension (SIPP) provides a tax efficient way to build up a sum of money and then provide you with an income in retirement.

Wealth at Work Limited is the provider of the SIPP and also the Scheme Administrator.

Wealth at Work Pension Trustees Limited is the Trustee of the scheme.

This document provides you with the main features of the SIPP and should be read in conjunction with the SIPP terms and conditions which provide more detailed information.

## Aims

- To help you to accumulate a sum of money which, at your selected retirement age, can be used to provide you with an income.
- You can pay one-off or regular contributions into the SIPP to take advantage of the generous tax privileges available to registered pension schemes.
- To provide you with the opportunity to transfer your existing pension benefits into your SIPP.
- To provide you with the option of taking lump sum and pension benefits in retirement.
- To enable you to take your benefits in stages. This is sometimes referred to as phased retirement.
- To provide benefits for your dependants or other beneficiaries following your death.

## Your commitment

- You must ensure that you understand the features, benefits and risks of the SIPP so that you can be sure it will meet your needs and expectations.
- You will need to make at least one payment into your SIPP. There is no penalty for ceasing or reducing contributions but your benefits will be affected by the level of contributions paid into your SIPP.
- You must be prepared to keep your money invested and not have access to it, normally until at least age 55 (57 from 2028). When you decide to convert some, or all, of your fund into a pension income you may be able to take some of your fund as a tax-free lump sum.
- To comply with the SIPP terms and conditions and to pay the charges associated with the SIPP.
- To comply with HMRC rules regarding contributions, investments and benefit levels.
- To notify us immediately of a change of address or other changes to your personal circumstances which might affect your SIPP, including your eligibility for tax relief on your contributions, or to receive benefits.

# Risks Factors

## General Risk

- The tax benefits and governing law for registered pension schemes including the SIPP may change in the future. In relation to you, the tax treatment depends on your individual circumstances and may change in the future.
- Your benefits are dependent on a number of factors including the age at which you commence benefits and external influences such as investment returns, inflation, interest rates, annuity rates, charges and future contribution levels. Additionally, failure to maintain contributions may adversely affect any expected future benefit you may be seeking.
- If you choose to exercise your right to cancel your SIPP, and the assets purchased to date within your SIPP fall in value before the notice of cancellation is received by us, a full refund of your original investment may not be provided, but rather the original value less the fall in value to the date of cancellation.
- If you are thinking of choosing to exercise your right to cancel your SIPP and funding is by way of a transfer of funds from an existing pension, you must establish that the existing pension provider will be happy to accept the transfer proceeds back again.

## Funding your SIPP

- By transferring other pension benefits into your SIPP, you may be giving up the right to guarantees in the form of benefits, including the amount or type; and the benefits you receive from your SIPP could ultimately be lower.
- A penalty may be applied to your existing pension plan if it is transferred.

## Investing in your SIPP

- The value of investments can fall as well as rise and is not guaranteed. Past performance should not be taken as a guide to future performance. You may not get back the full amount of your investment.
- Different types of investments have different risks.
- Any foreign investments are subject to currency risk, ie as well as the risk of the underlying asset there is also a risk of a loss from exchange rate variations against the pound sterling.
- The value of your SIPP will be reduced by the effect of charges.

## Drawing benefits from your SIPP

- Any pension income derived from your SIPP is not fixed or guaranteed for life.
- Income payments taken from your SIPP are subject to Income Tax and if large withdrawals are taken in a tax year, the amount of tax you pay may be significant.
- Drawing an income from your SIPP may reduce the size of your fund if the investment growth is not sufficient to maintain the level of income you wish to draw.
- Drawing an income that exceeds the growth of the fund, net of all costs and charges, from your SIPP may exhaust your fund before you die or before you may decide to purchase an annuity. This means that you will no longer receive any income from your SIPP which would at this point be terminated.
- Your overall benefits may be greater or less than the benefits available from an annuity depending upon the growth of the fund, the costs and charges imposed, and the annuity rate you may otherwise have secured.
- You will not receive the benefit of mortality cross subsidy that you would through purchasing an annuity. When an annuity is purchased, the income paid to those who live longer is subsidised from the income saved from those who die earlier, this is known as cross subsidy. The longer you delay annuity purchase, the less you will benefit from the cross subsidy when you eventually buy an annuity. It is important that you take this into account when considering taking benefits both now and in the future.
- You can stop drawing an income at any time and purchase an annuity. However, annuity rates can be volatile and they may be lower than they were when you originally start drawing an income from your SIPP.

# Your questions answered

## What is a SIPP?

A Self-Invested Personal Pension (SIPP) is a type of pension plan that gives you control over how your retirement savings are invested. As a defined contribution personal pension, the final value of your pension pot depends on the amount you pay in, the performance of your investments and how much is charged in fees. We provide details of the fees and the performance objectives for each fund.

## Is this a stakeholder pension?

No. The SIPP is not a stakeholder pension because our charges can be higher than the government stakeholder requirements.

A stakeholder pension may meet your needs at least as well as this pension.

## Who is eligible for a SIPP?

You are eligible to join the SIPP if:

- You are resident in the UK;
- You are working overseas as a Crown servant; or
- You are the husband, wife or civil partner of a Crown servant working overseas.

Where an applicant is under 18, their legal guardian must:

- Sign any application forms on their behalf;
- Be responsible for making sure that HMRC contribution limits are not exceeded;
- Be responsible for the contract until the individual reaches age 18; and
- Be responsible for advising us of the applicant's National Insurance number when they reach age 16.

## What contributions are accepted?

The following contributions may be made to your SIPP:

- A contribution from you;
- A contribution on your behalf from a third party;

Contributions can be made in the form of cash.

## How and when can contributions be made to my SIPP?

Contributions may be made in the following ways:

**Single cash contributions**

- Single cash contributions from you or a third party on your behalf may be paid at any time by logging into your mywealth invest online account and completing a bank transfer.

**Regular cash contributions**

- Regular cash contributions by setting up a standing order with your bank and making payment to the following bank details:

Account name:
Wealth at Work Pension Trustees Ltd SIPP account

Sort code:
40-05-30

Account number:
24595432

## Can I get a refund if I have paid a Contribution?

Once we have accepted a Contribution it cannot usually be refunded (except where cancellation rights are applicable). See further information under '**Your right to change your mind**'.

## Can I transfer my existing pension benefits into my SIPP?

You can transfer benefits from any other UK registered pension scheme into your SIPP including funds which form part of a drawdown pension under the transferring scheme.

### How much tax relief will I receive?

- If you're a basic-rate taxpayer (20%), every £80 you contribute becomes £100 in your pension (the government adds £20).
- We will claim your basic rate tax relief on your behalf from HMRC. You should be aware that it may take between 4 to 11 weeks, from the date of your contribution to receive this tax relief from HMRC.
- If you're a higher-rate taxpayer (40%), you can claim back another £20 through your tax return — so a £100 contribution costs you only £60. If you're an additional-rate taxpayer (45%), a £100 pension contribution could cost you as little as £55.
- Employer contributions are payable gross and there is no tax relief payable on transfer payments.
- If you stop being a UK resident and do not have any relevant UK earnings but were resident when your SIPP was set up, you can continue contributing up to £3,600 gross for the next five years.
- No tax relief is payable on any contributions paid from age 75.

### How much can I contribute?

You can pay money into your SIPP from a minimum of £25 per month or a £25 lump sum. There is no maximum contribution amount although you should be aware that total contributions made to all your pension schemes by you or on your behalf, is subject to the "Annual Allowance". You may also be eligible to use "Carry Forward" which is unused allowances from the previous three tax years.

### What is the annual allowance for contributions?

HMRC set an annual allowance that applies to all contributions that you or your employer makes. This is £60,000 for the current tax year.

You will have to pay an annual allowance tax charge, via your self-assessment return, on any amount of contribution which exceeds this allowance. The amount of the charge depends upon your taxable income.

Your annual allowance may be reduced if you are a high earner. The allowance is reduced by £1 for every £2 of your 'adjusted income' over £260,000 for the tax year, and 'threshold income' over £200,000. The minimum the allowance can be reduced to is £10,000.

Finally, there are some instances when the annual allowance is not tested, these examples are:

- Death
- Serious ill health*
- Severe ill health*

*certain criteria needs to be met.

### What's the carry forward rule?

Carry forward is a rule that lets you use up any unused pension allowance from the last three tax years — so you can pay in more to your pension this year and still get tax relief.

### How it works

Each tax year, you can normally pay into your pension 100% of your earnings up to a maximum of £60,000 (as of the 2025/26 tax year) and get tax relief. If you didn't use all of your allowance in previous years, carry forward lets you "catch up."

For example:

- You didn't use all your allowance in 2022, 2023, or 2024.
- In 2025, you can add those unused amounts to your £60,000 allowance.
- This means you could potentially pay in up to £180,000 (or more, depending on past limits).

### Who Can Use It?

To use carry forward:

You must have been a member of a UK pension in each year you're carrying forward from.

You must earn enough income in the current year to cover the total contribution (you can't get tax relief on more than your total earnings).

## Can I continue to make Contributions if I have accessed benefits from my SIPP?

The Money Purchase Annual Allowance (MPAA) is a limit on the amount you can contribute to your pension each year once you start taking money from your SIPP.

When the MPAA is triggered, there is then a limit on the contributions you can make to your pension each year and receive tax relief. This limit is currently £10,000 per year.

MPAA is triggered when:

- you take a taxable income
- receive payment of Uncrystallised Funds Pension Lump Sum (“UPFLS”)
- receive payment of income under capped drawdown in excess of the permitted maximum

Continuing to take income under the capped drawdown rules, taking a tax-free cash sum only or purchasing an annuity, will not reduce the level of contributions you can make.

Once the MPAA is triggered, any contributions over the £10,000 limit will be subject to tax charges.  This means you need to be mindful of how much you contribute to your pension after you start accessing it.

## How much does it cost to use my wealth invest?

Our fees are 0.50% per year, based on the value of your investment, and we’ll collect this from your account monthly in arrears.

Wherever possible, we will always take our fee from any free cash on your account. If there is no cash available, then we’ll raise the required fee by selling a small proportion of your assets in line with your fund selection sufficient to satisfy the fee.

You will see on the individual Key Investor Information Document (KIID) fact sheet that each fund has its own ongoing charge. These are shown as a percentage of your investment. We do not have any control over what a fund may charge, but we will always try to pick funds with costs that provide you with value for money.

## How will cost and charges affect my SIPP?

Your SIPP is designed to grow based on the investments you choose. However, the value of your pension can fluctuate depending on how those investments perform. It’s important to remember like all investments, the returns are not guaranteed.

Fees will be deducted from your SIPP and can reduce the overall amount you have saved. Any income generated by your investments such as dividends and interest will also be subject to fees. We recommend regularly reviewing your SIPP to ensure it is working towards your retirement goals.

## Where can I find details of the charges?

The charges for all transactions that take place in respect of your SIPP are described in the SIPP terms and conditions (Schedule 5 - Charges). Please refer to this schedule for further information.

## Who manages the money in my plan?

You will make key decisions as to which funds or investments your pension is in. You can decide the level of risk of your investments and how much you wish to contribute.

## Which funds are available?

Choose between investing into a target-date fund which adjusts over time to align with your expected retirement date, or create your own diversified retirement portfolio by choosing the funds you wish to invest in. You don’t need to be an expert to create your own portfolio as our Investment Management Team have analysed the whole of the market and have handpicked a selection of funds for you to choose from.

## How do I invest?

When you have decided what funds you wish to invest in, you can make an initial contribution as a lump sum or as a regular contribution. You may also instruct to transfer an existing pension into your SIPP.

# Taking benefits

### When can I take my benefits?

You can take benefits from your SIPP from the age of 55 (or 57 from April 2028). This is known as your 'Normal Minimum Pension Age (NMPA). You cannot normally take benefits before NMPA, except in limited circumstances, for example, if you retire early due to ill health. You are not forced to take lump sum or pension benefits from your SIPP at any time.

### What are my pension benefit options?

#### Drawdown Pension

A drawdown pension, also known as 'flexi- access drawdown' is available to anyone from the NMPA. The pension fund remains invested and you draw an income from the fund. There is no minimum or maximum level of income, so you have flexibility to decide on the level of income which suits you; this could be 'nil' or you could take the whole SIPP value in one go.

It allows you to delay purchasing an annuity with your pension fund and provides flexibility in the following ways:

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It allows you to delay purchasing an annuity with your pension fund and provides flexibility in the following ways:

- you can draw an income directly from your SIPP fund.
- you have flexibility over income and lump sum benefits you take and when they are taken.
- May designate the whole or part of your SIPP to provide a drawdown pension, which allows you flexibility to determine the most tax efficient withdrawal method.
- You can have a tax-free lump sum from your SIPP. The amount of tax-free cash is the lower of:
    - 25% of the value of the SIPP designated to provide benefits and your remaining lump sum allowance, which is currently set to a limit of £268,275.
- any income taken is taxed under PAYE as earned income.
- you retain control of your investments
- you can transfer other drawdown pension funds into your SIPP.

Taking any income under flexi-access drawdown reduces your annual allowance for future contributions to any pension arrangement to £10,000 each tax year.

### Lifetime Annuity

You can purchase a lifetime annuity from an insurance company who agrees to pay you a regular income until you die.

The annuity available will depend upon the value of your fund, age, health, lifestyle and the type of annuity you choose. You can decide whether the payments from your annuity stay level, increase or decrease over time and whether or not you want any guarantees.

If you buy an annuity you will usually have no ongoing involvement with the investment of your pension fund. The purchase of an annuity is usually the right choice for someone who wants security of income and no on-going investment risk.

### Investment Pathways

An investment pathway is a ready-made investment option, which simplifies the decision on how to invest your remaining pension pot after you have taken your tax-free lump sum. Investment Pathways are designed to meet your investment strategy over the next five years.

When you decide to access benefits, you can either:

- select an Investment Pathway,
- maintain your existing investment;
- or choose from our self-select range of investments

### MoneyHelper

We strongly recommend that you seek guidance regarding your pension options. Pension Wise is a service from the Government that offers free and impartial guidance on your retirement income options. You can access it online at https://www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise/book-a-free-pension-wise-appointment

To book a face-to-face or telephone appointment, please call them on **0800 138 3944**.

# Death benefits

## What happens if I die?

The full value of your pension fund will be used to provide benefits for your beneficiaries. This will normally be in the form of a cash lump sum. The payment is usually outside of your estate and therefore is not subject to inheritance tax.

The actual tax treatment will vary depending on whether you die before or after age 75. Death benefits are normally paid tax-free if you die before age 75, regardless of whether you are taking benefits or not, and can be paid as a lump sum or pension. If you die over age 75, the death benefits will usually be taxed at the recipient's marginal rate of income tax. You can nominate beneficiaries. This does not bind us, but will help us decide who we will pay out benefits to.

The death benefits payable from a lifetime annuity, if any, will be determined by the type of annuity purchased.

## General

When you choose the level of income to take, you should think carefully about whether there will be sufficient funds to provide for your dependants should you die before them.

A lump sum may be paid to a charity free from any tax charges provided you are not survived by any dependants and made an appropriate nomination prior to your death.

## How do I obtain a valuation of my SIPP?

As soon as you start investing you can access your account via the my wealth invest app to view your live portfolio. You will also receive quarterly valuations as at 5 January, 5 April, 5 July and 5 October each year in addition to an annual 'statutory money purchase illustration'.

## Can I transfer my SIPP to another pension plan?

You can transfer the value of your SIPP to another UK registered pension scheme or to a qualifying recognised overseas pension scheme at any time.

The transfer will be in the form of a cash payment of your SIPP assets to the receiving scheme.

The payment will always be made directly to the Trustees or Scheme Administrator of the receiving scheme.

## Terms & conditions

A copy of the SIPP terms and conditions will be supplied during the advice process and you should read them carefully before signing your application form.

## Law

The SIPP terms & conditions are subject to and are to be construed in accordance with the laws of England and Wales. Legal disputes will be subject to the exclusive jurisdiction of the English courts.

All information in this document is based on our understanding of current UK legislation in respect of pensions and taxation.

## Key Features Illustration

We will also provide you with an illustration which shows the effects that different levels of investment return would have on an investment, taking into account the charges along the way. The format of illustration is set by the Financial Conduct Authority, our industry regulator. It is important to remember that the actual return received could be higher or lower than those shown on the illustration.

## Your right to change your mind.

You have the right to change your mind and cancel when you are:

- applying to join the Scheme;
- making a Member Contribution into your SIPP for the first time;
- making any individual transfer into your SIPP from a previous pension scheme; and
- electing to take benefits from your SIPP as a Drawdown Pension for the first time.

From the date of issue of the Cancellation Notice you will have a 30 day Cancellation Period. During this period you can change your mind. If you decide to cancel your application, you must:

- complete the Cancellation Notice;
- and send the Cancellation Notice to us at the address shown under the heading

"Contact us", before the end of the Cancellation Period, advising us that you wish to exercise your right to cancel.

If you do not wish to cancel your application, simply disregard the Cancellation Notice.

There is no charge to cancel your application. However, we reserve the right to deduct from your SIPP any charges reasonably incurred and payable (and whether to us or otherwise) in consequence of your application.

Upon receipt of a duly completed Cancellation Notice within the Cancellation Period, we will then:

- refund initial contributions received; and
- return any transfer values received to the ceding scheme.

Where a transfer value has been received, we can only pay the remaining value back to the transferring scheme, if it agrees to accept it. Otherwise, you will need to make appropriate arrangements to pay the transfer value to another pension provider.

The value of contributions refunded and transfers returned will be subject to investment fluctuations if assets have been purchased during the Cancellation Period. As a result, the value of the refund / return may be higher or lower than the amount originally invested.

## Contact us

Our Wealth Services team are happy to help answer any of your questions. Our lines are open from 9am to 6pm Monday to Thursday, and 9am to 5pm Friday. We are closed at the weekend. We will respond to all emails within 24 hours or the next working day.

0800 093 1465
info@mywealthinvest.co.uk

## Complaints

Should you wish to register a complaint in relation to your SIPP please write to the Complaints Department in the first instance at:

**Wealth at Work Limited**
**Third Floor,**
**5 St Paul's Square, Liverpool**
**L3 9SJ**

If you are not satisfied with our response, you may refer your complaint to:

The Financial Ombudsman Service
Exchange Tower
Harbor Exchange London
E14 9SR

**Tel: 0800 023 4567**

If your complaint concerns the administration of your SIPP, you may be referred to:

Money and Pensions Service
**Borough Hall Cauldwell Street Bedford**
**MK42 9AP**

**Tel: 01159 65957**

## Compensation

A statutory compensation scheme is available through the Financial Services Compensation Scheme (FSCS) should Wealth at Work Limited not be able to meet its liabilities because we are in default of an obligation to you, or others. The maximum amount of compensation that can be awarded by FSCS is £85,000 dependent on the type of investment held and full details are available from FSCS.

Wealth at Work Limited may in the course of resolving any complaint you may have with us about our service or performance of the service pay an appropriate level of compensation, at our discretion, to reinstate you to the position you would have been had you not had cause to make a complaint.

0800 234 6880
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WEALTH at work

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