

Key Features

of the Fairmount Pension Portfolio

keyfacts®

This document provides you with the main points about the Fairmount Pension Portfolio - which is administered by Dentons Pension Management Ltd (Dentons). The Financial Conduct Authority (FCA) is the independent financial services regulator. It requires us, Dentons, to give you this important information to help you decide whether the Fairmount Pension Portfolio is right for you. You should read this document carefully so that you understand what you are buying, then keep it safe for future reference. In this Key Features document, "you" means the "Plan member"; "we", "our" and "us" means "Dentons" and your "Fairmount Pension Portfolio" is also referred to as "your Plan". This Key Features document should be read in conjunction with the Terms and Conditions of Business and Schedule of Services which should have been received by you.

The aims

- > to build up a sum of money in a tax-efficient way, which will provide you with replacement financial resources when you retire
- > to build up a sum of money to give benefits to your beneficiaries when you die, either before or after you retire
- > to give you the option of taking a tax-free lump sum, but with a reduction in the pension payments that could be made
- > to give you the flexibility you may need if your circumstances change in the future.

Your commitment

- > to make at least one payment either as a contribution or a transfer from another Registered Pension Scheme into your Plan
- > to let your Plan accumulate until you decide to start drawing benefits
- > to keep us informed if your circumstances change
- > to be responsible for your investment decisions and, where necessary, to seek professional advice
- > to not take any benefits before you reach the age of 55, other than in exceptional circumstances as agreed with us.

Risk factors

- The level of benefits you will receive at your selected retirement date is not guaranteed. The value of your Plan and the pension available when you retire may be lower than illustrated. This can happen for a number of reasons including:
- > you stop making payments into your Plan or take a payment break
 - > the investment performance is lower than anticipated
 - > interest rates when you retire are lower than anticipated
 - > you start taking your pension earlier than your chosen retirement date
 - > you draw pension income at a higher level than is sustainable
 - > tax rules change
 - > our charges increase in the future
 - > you transfer your Plan to another company
 - > price inflation reduces the worth of all savings, investments and pension benefits.

Your Plan has the flexibility to allow various levels of investment ranging from a discretionary portfolio of stock exchange securities to commercial property and unitised funds, in addition to the default instant access bank account. Alternatively you can choose to only invest funds in a single portfolio with an investment manager or platform, for which a lower charge applies.

The value of these investments can fluctuate and may fall as well as rise. Not all investments (for example, property) are readily realisable and this should be taken into consideration when planning your retirement.

If you start your Plan with a single payment and then cancel within 30 days, you may get back less than you paid in if the value of your investment has fallen in the meantime.

If you transfer in benefits from another pension scheme, there is no guarantee that your total pension will be more than if you had stayed in your previous scheme.

If you are in ill health at the time of making a pension transfer and should die within two years, the transfer could result in inheritance tax penalties.

Questions & Answers

What is the Fairmount Pension Portfolio?

The Fairmount Pension Portfolio is a vehicle that lets you save for your retirement in a tax-efficient way. It has been accepted by HM Revenue & Customs (HMRC) as a Registered Pension Scheme. The Trustee is our trustee company, Fairmount Trustee Services Limited. You are responsible for selecting the investments for your Plan.

Is this a Stakeholder Pension?

No, your Plan is not a Stakeholder Pension. However, before taking out your Plan, you may wish to consider whether a Stakeholder Pension is appropriate for you as it may also meet your needs.

Can the Fairmount Pension Portfolio be used for auto enrolment?

No. The Fairmount Pension Portfolio is not designed to be used to meet employer's obligations under auto enrolment legislation. If you are employed, your employer will need to make its own arrangements for auto enrolment.

Am I eligible for a Fairmount Pension Portfolio?

You will be eligible provided you are a relevant UK individual. If you are aged under 18, a Legal Guardian must act on your behalf who is capable of acting as a co-trustee of your Plan.

What investments are permitted?

Your Plan is designed to provide you with considerable investment flexibility.

The range of investment opportunities is extensive and includes:

- > stocks and shares and authorised OEICs
- > commercial property
- > unquoted UK equities (subject to individual consideration)
- > unit trusts and investment trusts
- > insurance company managed funds and unit-linked funds
- > deposit accounts with any authorised financial institution
- > commercial loans to UK limited companies.

We will usually consider any investment provided it is unlikely to give rise to tax penalties.

The following are examples of some of the investments that we do not allow:

- > taxable property - defined by HMRC as residential property and tangible moveable property (including personal chattels)
- > commodities
- > overseas unquoted equities
- > overseas commercial property and land
- > off plan hotel developments
- > loans to members or persons connected with a member
- > carbon credits and cloud lending
- > land banking and storage pods
- > futures, warrants, options and binary options
- > individual CFD and FX accounts
- > cryptocurrency
- > litigation funding.

Where we have not previously approved an investment, we will investigate the individual asset or investment to ensure it will not be subject to tax charges. Further investigations may take place periodically.

We recommend that you seek financial advice before making any decisions. Although Dentons will not provide any advice on the suitability of investments we reserve the right to refuse to hold any proposed investment within your Plan.

You should be aware that we cannot comment on, nor give assurance on, the outcome of any investment.

What might I get when I retire?

The final value of your Plan will depend on a number of things. For example, how much is paid in, how long the payments are invested for, how well the investments perform and the charges taken from your Plan.

The amount of pension you may receive will depend on the circumstances at the time you decide to use your Plan funds to provide benefits. This includes interest rates, your age and type of pension you choose.

What choices will I have when I retire?

You can start taking pension benefits at any time from age 55 even if you're still working. You can start taking pension benefits before the age of 55 only if you suffer from severe ill health, or if you have a 'protected' minimum pension age. You can also take your pension benefits in stages to suit your personal circumstances.

You cannot cash in your Plan early.

The range of choices at benefit date include:

Annuity - changing some or all of your Plan assets to cash and securing pension income with an insurance company.

Drawdown - allows you to draw pension income from your Plan fund, with no upper limit. You should be aware that you could run out of money and not have sufficient funds to support yourself in the future if your investments perform poorly, you withdraw too much or you live longer than expected.

Uncrystallised funds pension lump sum (UFPLS) - allows you to draw lump sums directly from uncrystallised funds without having to access drawdown, as often as you like. For each lump sum taken, 25% will be paid tax free with the balance taxed at your marginal rate of income tax.

Once you have taken your first drawdown or UFPLS payment, the money purchase annual allowance of £4,000 gross will apply to contributions to your Plan and any other money purchase registered pension schemes you may have.

Tax free lump sum - you will normally have the opportunity to take up to 25% of your Plan fund as a tax-free lump sum in exchange for a smaller level of taxable income at retirement.

How is my pension taxed?

Your pension will be earned income and assessable for tax. We will deduct the tax before paying you the net pension through our PAYE payroll service. You should not be subject to National Insurance on your pension income.

Questions & Answers continued

How is my pension paid?

Your pension can be paid monthly on the twentieth day of each month, or less frequently, and will be paid in UK pound sterling.

What happens when I die?

You can indicate how you would like the Trustee(s), using their discretionary powers under the governing Trust Deed and Rules, to distribute any remaining funds between beneficiaries in the event of your death. The Scheme Administrator is not obliged to follow your wishes but will take them into consideration in deciding to whom, how much and in what form benefits are to be paid.

The Trustee(s) will be able to distribute your remaining funds in one or more of the following ways:

- > lump sum payments to your beneficiaries
- > to buy annuities for your dependants and/or nominees (i.e. any other individuals you have nominated to receive a pension)
- > to provide dependants and/or nominees with drawdown pensions.

If you die before your 75th birthday, each option will normally be tax-free provided it takes place within two years of your death and, where relevant, you had enough remaining lifetime allowance.

If you die on or after your 75th birthday, each option will be assessable income for tax purposes except that lump sum payments to entities such as trusts and companies will normally* be subject to a special 45% tax charge.

*In certain circumstances lump sum payments to charities can be tax-free.

What happens when my beneficiary dies?

A beneficiary can indicate how they would like the Trustee(s) to distribute any remaining Plan funds when he or she dies. There is no lifetime allowance test. Whether any payments will be assessable income for tax purposes will depend on whether the beneficiary died before, or on or after, their 75th birthday.

Who can pay contributions to my Plan?

As long as you are a UK resident or you have relevant UK earnings chargeable to income tax and are under age 75, you, your employer or anyone else can pay contributions to your Plan.

Please note that if you hold Enhanced Protection or a form of Fixed Protection, any contribution to your Plan (or any other registered pension scheme you may have) is likely to invalidate that protection.

You would also lose any of those protections if you set up a new arrangement in a registered pension scheme (e.g. not opting out of auto enrolment).

Do I get tax relief on my contributions?

Contributions (except those paid by your employer) must be paid net of basic rate income tax. For example, if you want to pay a gross contribution of £10,000, you would pay a net contribution of £8,000 and Dentons would reclaim the basic rate tax of £2,000.

Contributions by anyone other than you or your employer are treated as if they were contributions by you. You will need to claim any additional tax relief you may be entitled to in your self assessment tax return. There is no tax relief for such contributions on or after your 75th birthday.

How much can be contributed?

You will only get tax relief on your contributions in a tax year provided the total gross amount does not exceed the greater of (i) £3,600 and (ii) the amount of your relevant UK earnings chargeable to tax for that tax year.

Employer contributions are paid gross and there is no specified limit on the amount your employer can pay in.

However, if the total value of contributions in a tax year to your Plan and any other registered pension schemes (including benefit increases in defined benefit schemes where relevant) exceed your available annual allowance, money purchase annual allowance or tapered annual allowance, whichever is/are applicable, you will be subject to a tax charge.

Annual allowance - is the upper limit, for a tax year, on the total value of contributions to your Plan and any other registered pension schemes you may have (including benefit increases in defined benefit schemes) that can benefit from tax relief. It is currently £40,000 gross.

Money purchase annual allowance - the upper limit, for a tax year, on the total value of contributions to your Plan and any other money purchase registered pension schemes you may have, that can benefit from tax relief, once you have flexibly accessed benefits (e.g. taken an uncrystallised funds pension lump sum or your first payment of drawdown pension). It is currently £4,000 gross.

Tapered annual allowance - reduces a pension scheme member's annual allowance on a sliding scale for a tax year in which their 'adjusted income*' and 'threshold income**' exceed the relevant limits. It was introduced on 6 April 2016.

For tax years 2016/17 to 2019/20, the adjusted income limit is £150,000 and the threshold income limit is £110,000. The member's annual allowance is reduced by £1 for every £2 that their adjusted income exceeds £150,000, to a minimum annual allowance of £10,000. This means members with adjusted income in the tax year of £210,000 or more will have a tapered annual allowance of £10,000.

The tapered annual allowance does not apply if a member's 'threshold income' for any of these tax years was £110,000 or less even if they had adjusted income of £150,000 or more.

For tax year 2020/21 onwards, the adjusted income limit increased to £240,000 and the threshold income limit to £200,000, which decreases the minimum reduced tapered annual allowance from £10,000 to £4,000. This means members with adjusted income in the tax year of £312,000 or more, will have a tapered annual allowance of £4,000.

The tapered annual allowance does not apply if a member's 'threshold income' for any of these tax years is £200,000 or less even if they have adjusted income of £240,000 or more.

*Adjusted income includes the member's earnings, dividends, interest on savings and pension contributions (including those made as a result of a salary sacrifice or similar arrangement).

Questions & Answers continued

**Threshold income is broadly similar to adjusted income except that pension contributions that entitle the member to Relief at Source and employer contributions resulting from a salary sacrifice (or similar arrangement) made before 9 July 2015 are excluded.

Can I carry forward any unused allowances?

If you have used up all of your annual allowance or tapered annual allowance in a tax year, it may still be possible for further contributions to be made in that year provided you have unused annual allowance or tapered annual allowance available from one or more of the immediately preceding three tax years (starting with the earliest year) to carry forward to the tax year in question and you were a member of a registered pension scheme in each relevant year. As mentioned earlier, full tax relief will only be available on contributions paid in a tax year by you or by a third party who is not your employer provided your relevant UK earnings for that tax year are at least equal to the amount of those contributions.

Carry forward is not available if the money purchase annual allowance applies.

Is there a limit on the funds I can build up in my Plan?

No, but there is a limit on the benefits that you can crystallise in your Plan and any other registered pension schemes you may have, without incurring a tax charge. The limit is known as the lifetime allowance. Each time you crystallise benefits (and at age 75 when there is a further test) you use up some or all of your lifetime allowance. From tax year 2021/22 the lifetime allowance is £1.0731 million and is frozen at this limit until April 2026.

If you crystallise benefits and exceed your remaining lifetime allowance, the excess will be subject to a tax charge of 55% if paid as a lump sum (an option that is only available up to age 75) or a tax charge of 25% if used to provide you with a drawdown pension or to buy an annuity.

Can I transfer my Plan?

You can transfer your Plan to another pension scheme at any time. If you decide to transfer the value/assets of your Plan to another pension scheme, we may take a charge from your Plan value, as set out in the Terms and Conditions of Business and Schedule of Services.

What are the charges?

Our **Terms and Conditions of Business and Schedule of Services** show the standard administration charges and the possible additional administration charges. Additional charges will be on a time recorded basis and will reflect the time spent on the more complex issues such as the purchase of commercial property.

Can I change my mind?

After setting up your Plan, we will send you a cancellation notice. If you have changed your mind, you have 30 days from the date you receive this notice to cancel your Plan. We can accept your verbal confirmation to cancel although this must be followed by your written confirmation within a few days.

During this cancellation period any funds held within your Plan will ordinarily be retained in your Plan bank account, unless you specifically elect to waive your cancellation rights - in order, for example, to facilitate an urgent investment transaction.

We will repay any money you have paid into your Plan up to the date of cancellation, less any charges necessarily incurred in accordance with the Schedule of Services. If you have authorised investments other than Bank Deposits, the amount returned to you will be dependent upon the value of these investments.

What services does Dentons provide?

Dentons, as the Scheme Administrator, will provide administration services for your Plan as outlined in the **Terms and Conditions of Business and Schedule of Services**. You, or an authorised representative, are responsible for acting as investment manager for the assets held within your Plan.

Can Dentons give me advice?

No, Dentons will not provide you with advice in relation to investments other than to confirm whether or not a proposed investment is acceptable for your Plan.

How will I know how my Plan is doing and how can I make changes to it?

We will provide you with a yearly statement to show you the value of your Plan together with an illustration of the projected value of your benefits at your Selected Retirement Date.

We also offer you the ability to go online to see the most up-to-date valuations of your investments. This facility provides you with details of your contributions and transfers to date plus benefits, where applicable.

However, you should be aware that some investments, such as property, may only be valued at the start of your Plan and not valued again formally until benefits are taken.

If you want to make extra contributions or change investments, where appropriate, please contact your financial adviser.

If you have any other queries regarding your Plan, our contact details are:

Dentons Pension Management Limited
Sutton House
Weyside Park
Catteshall Lane
Godalming
Surrey
GU7 1XE

T 01483 521521
(Monday to Friday 9am - 5.30pm)
E enquiries@dentonspensions.co.uk

Other Information

How to complain

If you are not satisfied with any aspect of your Plan or our services, you may wish to complain. If you do, you should write to our Compliance Officer at the address on page 4. Alternatively, you can send an email to compliance-officer@dentonspensions.co.uk or telephone us on 01483 521521.

Your letter, email or telephone call will be acknowledged and your complaint will be dealt with in accordance with our Complaints Procedures, a copy of which is available on request.

If you are not satisfied with the resolution provided, you are able to refer the matter to the appropriate ombudsman.

The Pensions Ombudsman

10 South Colonnade
Canary Wharf
E14 4PU

T 0800 917 4487

E enquiries@pensions-ombudsman.org.uk

W www.pensions-ombudsman.org.uk

And

The Financial Ombudsman

Exchange Tower
Harbour Exchange
London
E14 9SR

T 0800 023 4567

E complaint.info@financial-ombudsman.org.uk

W www.financial-ombudsman.org.uk

A reference to either Ombudsman service will not affect your legal rights. You will be advised which is the appropriate body to refer your complaint to.

Dentons adheres to the General Data Protection Regulations (GDPR) that came into effect on 25 May 2018, which outline how personal information is obtained from you and stored by Dentons to establish and administer your Plan. If at any point you believe information that we retain about you is incorrect, you can request to see this information and have it corrected and possibly deleted.

If you wish to raise a complaint on how we have handled your personal data, please contact our Compliance Officer as outlined above. If you are not satisfied with our response or believe we are not processing your data in accordance with the law you can complain to

Information Commissioner's Office

W <https://ico.org.uk/>

Financial compensation

As the client of an authorised firm, you might be able to receive compensation from the Financial Services Compensation Scheme in the event that we are unable to meet our obligations towards you. Most types of investments and mortgages are covered to a maximum of £85,000. Claims in respect of long-term insurance benefits are protected 100% with no upper limit. Claims in respect of General Insurance (e.g. Buildings and Contents) are covered for 90% of the claim with no upper limit.

The Pensions Advisory Service (TPAS)

TPAS is an independent non-profit organisation that provides you with free information and guidance on pensions. It will also help you to understand how state pension issues interact with other pensions you may have. TPAS does not provide regulated financial advice.

If you have a complaint their volunteer advisers may be able to help you resolve the issue.

W www.thepensionsadvisoryservice.org.uk

Terms and Conditions

This Key Features Document provides a summary of your Plan but does not include all definitions, exclusions, terms and conditions. For additional details of your Plan, you should refer to the Trust Deed and Rules, **Terms and Conditions of Business and Schedule of Services**. A copy of the Rules of your Plan will be made available upon request. Terms and Conditions and all communication will be in English.

We reserve the right to review and make changes to the **Terms and Conditions of Business and Schedule of Services** including changes to our charges. We will give you notice of such changes to enable you to make alternative arrangements should you not wish to continue with your Plan in its revised form.

Circumstances might arise where it is not possible to comply with the terms and conditions, for example, due to a change in legislation. We will tell you if this happens and will be as reasonable as possible in the circumstances.



Dentons Pension Management Ltd
Sutton House, Weyside Park
Catteshall Lane, Godalming
Surrey GU7 1XE

T 01483 521 521
F 01483 521 515
E enquiries@dentonspensions.co.uk
W www.dentonspensions.co.uk

Dentons Pension Management Limited, Denton & Co. Trustees Limited, NTS Trustees Limited, TP Trustees Limited, Sippchoice Trustees Limited, Fairmount Trustee Services Limited and M.A.B. Trustee Company Limited are registered in England & Wales under numbers 02352951, 01939029, 01407848, 02604059, 06869793, 01909678 and 01604556 respectively. Registered office at Sutton House, Weyside Park, Catteshall Lane, Godalming, Surrey, GU7 1XE.

Dentons Pension Management Limited is authorised and regulated by the Financial Conduct Authority, register number 461094.

VAT number for Dentons Pension Management Limited is 863 1639 14.