Dentons SIPP Key Features

Dentons Pensions

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This document provides you with the main points about the Dentons SIPP – which is administered by Dentons Pension Management Ltd (Dentons). The Financial Conduct Authority is the independent financial services regulator. It requires us, Dentons, to give you this important information to help you decide whether the Dentons SIPP 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 "SIPP member"; "we"and "our" means "Dentons" and your "Dentons SIPP" is referred to as "the Plan". This Key Features document should be read in conjunction with the Terms and Conditions of Business and Schedule of Services, and the SIPP Guide, all of 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 financial resources when you retire
- to build up a sum of money to provide 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 the Plan
- to let the 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, until 5 April 2028 at which time benefits will usually commence from age 57, 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 the 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 the 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 the Plan assets to another pension scheme
- price inflation reduces the worth of all savings, investments and pension benefits.

The 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.

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 the 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 Dentons SIPP?

The Dentons SIPP 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. You will be a trustee of the Plan together with our trustee company, Denton & Co. Trustees Limited. This approach provides you with a greater degree of control over the Plan and in the investment selection process.

Is this a Stakeholder Pension?

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

Can the Dentons SIPP be used for auto enrolment?

No. The Dentons SIPP is not designed to be used to meet an 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 Dentons SIPP?

You will be eligible provided you are either a resident in the UK for tax purposes, receive earnings which are chargeable to UK income tax, are a Crown Servant, performing duties abroad or the spouse, or civil partner of such a Crown Servant or a non-UK resident with benefits in a UK HMRC Registered Pension Scheme that can be transferred. If you are aged under 18, a Legal Guardian must act on your behalf who is capable of acting as a co-trustee of the Plan.

What investments are permitted?

The 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
- secured commercial loans to UK limited companies that are not connected with you.

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

The following are the investments that we do not allow:

- Bed & breakfast units
- Carbon credits
- Cloud lending
- Commodities other than investment grade gold bullion
- Cryptocurrency - Direct and Indirect Cryptocurrency Investments. This includes Cryptoassets held as ETPs (Exchange Traded Products)
- Forestry
- Futures, warrants, options and binary options
- Hedge funds
- Individual CFD & FX accounts
- Individual hotel rooms
- Land banking
- Litigation funding
- Loans to individuals or connected parties
- Off-plan hotel developments
- Overseas commercial property & land
- Overseas unquoted equities
- Storage pods
- Taxable property – defined by HMRC as residential property and tangible movable property (including personal chattels)
- Unregulated collective investment schemes (UCIS)
- Unsecured loans.

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 the 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 value of the Plan at any time 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 and benefits taken from the Plan.

The amount of pension you may receive will depend on the circumstances at the time you decide to use the 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, until 5 April 2028 at which stage benefits will commence from age 57 (unless you were a member of the SIPP prior to 4 November 2021), even if you are 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 lower 'protected' minimum pension age. You can also take your pension benefits in stages to suit your personal circumstances. You cannot cash in the Plan early.

The range of benefit choices include:

Drawdown - allows you to draw pension income from the 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. Unless you have capped drawdown funds, any funds designated to drawdown from 6 April 2015 onwards, will be through flexi-access drawdown, which enables clients to take advantage of the greater freedoms available with no limit on the income levels that can be taken.

Tax-free lump sum – the ability to take up to 25% (or more) of the Plan fund as a tax-free lump sum in exchange for a smaller level of taxable income at retirement will depend on your circumstances.

Questions & Answers

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 subject to how much lifetime allowance you have left. For each lump sum taken, normally 25% will be paid tax-free with the balance taxed at your marginal rate of income tax.

Once you have taken your first flexi-access drawdown or UFPLS payment, the money purchase annual allowance of £10,000 gross will apply to contributions to the Plan and any other money purchase registered pension schemes you may have.

Annuity - allows you to encash some or all of the Plan assets and buy a guaranteed pension income with an insurance company.

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.

How is my pension paid?

Your pension can be paid monthly on the first working 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 Scheme Trustee, using its discretionary powers under the governing Trust Deed and Rules, to distribute any remaining funds between beneficiaries in the event of your death. The Scheme Trustee 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 Scheme Trustee 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.

Pension drawdown income can only be paid to individuals, so those who opt for flexi-access drawdown would need to transfer their funds to an existing pension scheme of which they are a member, or establish a new pension scheme (either with Dentons or another provider that can accept such funds). Alternatively, they can use their funds to buy pension income in the form of an annuity with an annuity provider.

What happens when my beneficiary dies?

If the beneficiary has opted for pension drawdown income and transferred those benefits to their own Dentons SIPP, the beneficiary can indicate how they would like the Scheme Trustee to distribute any of those benefits remaining 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 the Plan.

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 from HMRC.

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 personal 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 the 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 the 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 £60,000 gross.

Money purchase annual allowance is the upper limit, for a tax year, on the total value of contributions to the 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 flexi-access drawdown pension). It is currently £10,000 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**' exceeds £260,000 in a tax year. Members with an adjusted income of £360,000 or more will have a tapered annual allowance of £10,000 gross.

Questions & Answers

This allowance will not apply if a member's 'threshold income**' is £200,000 or less even if they had adjusted income of £260,000 or more. The minimum tapered annual allowance has varied in the tax years since its introduction.

*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).

**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, there is no limit on the benefits that you can crystallise in the Plan and any other registered pension schemes you may have. For the 2024/25 tax year the lifetime allowance tax charge is set at £0. However, in certain circumstances, members/beneficiaries will pay tax at their marginal rate on any excess above the lifetime allowance.

Can I transfer my Plan?

You can transfer the assets of the Plan to another pension scheme at any time. If you decide to transfer the value/assets of the Plan to another pension scheme, we may take a charge from the Plan, 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 cost 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 the 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 the 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 the Plan will ordinarily be retained in the 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 the 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 for the 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 the 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 the Plan, nor financial advice.

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 the 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 the Plan and not valued again formally until required, e.g. when benefits are taken.

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

Other Information

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

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

T 01483 521 521
(Monday to Friday 9am - 5.30pm)

E enquiries@dentonspensions.co.uk

How to complain

If you are not satisfied with any aspect of the Plan or our services, you may wish to complain. If you do, you should write to our Compliance Officer at the address above. 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

Or

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 the 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.

MoneyHelper

MoneyHelper (previously known as The Pensions Advisory Service (TPAS)) provides free guidance and support if you need help. It is available at any time to assist you with questions you may have relating to pensions.

If you have a complaint and our Compliance Officer's definitive reply is unsatisfactory, the matter can be referred to MoneyHelper. This organisation is available to assist pension scheme members and works on the basis of mediation and conciliation, using a network of skilled individuals who all work towards achieving a satisfactory resolution to the problem.

Contact details for MoneyHelper:

Holborn Centre
120 Holborn
London
EC1N 2TD
T 0800 169 0297
W www.moneyhelper.org.uk

Terms and Conditions

This Key Features document provides a summary of the Plan but does not include all definitions, exclusions and terms and conditions. For additional details of the Plan, you should refer to the Trust Deed and Rules, Terms and Conditions of Business and Schedule of Services, and the SIPP Guide.

A copy of the Rules of the 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 the 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
Pensions

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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.