



# THE C&P SIPP

(Self-Invested Personal Pension)

## Key Features



CORPORATE AND PROFESSIONAL  
PENSIONS LIMITED

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Registered in England No 2810635

Authorised and regulated by the Financial Services Authority

## IMPORTANT INFORMATION

This information is important so please read it carefully before applying for your SIPP

The Financial Services Authority is the independent financial services regulator. It requires us, Corporate & Professional Pensions Limited, to give you this important information to help you decide whether our Self Invested Personal Pension (C&P SIPP) is suitable for you. You should read this document carefully so that you understand what you are buying and then keep it safe for future reference.

Corporate & Professional Pensions Limited do not give financial advice so that if you are not sure that a SIPP or taking income withdrawals is suitable for you we recommend that you take advice from a Financial Adviser so that you are fully aware of the alternatives

### Pension Loans

We would like to make you aware that the Trustees of the C&P SIPP do not approve of member's taking loans against their pension funds or receiving remuneration via incentives of any kind as this could lead to an unauthorized payments charge being levied on the pension funds by HMRC.

### What is the Corporate & Professional Self Invested Personal Pension?

The Corporate & Professional Self Invested Personal Pension is a specific type of personal pension scheme which offers customers a wide choice of assets in which to invest. SIPPs typically allow the customer to take full control of the underlying assets, or to appoint an authorized fund manager to do this on their behalf. The portfolio may include a range of collective investments from different managers, and may include individual share holdings and commercial property. Charges will reflect the investments made by the customer.

The pension plan is a form of savings for your retirement and provides flexible contribution options so that you can vary your contributions according to your circumstances.

A wide choice of investment options are available to you and you determine the areas in which you wish to invest.

You also have the widest option of retirement benefits so that you can control your retirement income.

Because the plan is registered with HMRC all the normal tax advantages relating to pensions enable you to enjoy tax efficient saving.

### Is the Corporate & Professional SIPP a Stakeholder Pension?

The Corporate & Professional SIPP is not a Stakeholder Pension. Stakeholder pensions must meet certain requirements with regard to contribution levels, charges made to your plan and terms and conditions.

**A Stakeholder pension may meet your needs just as well as the Corporate & Professional SIPP.**

### Do you give advice in relation to the Corporate & Professional SIPP?

Corporate & Professional Pensions Limited do NOT give advice in relation to the SIPP.

We do however recommend and encourage you to take financial advice from a suitably qualified Independent Financial Adviser before establishing your SIPP.

### What is the Aim of the Corporate & Professional SIPP?

To provide a tax efficient way for you to accumulate a pension fund for your retirement.

To enable you to make tax efficient contributions to your pension fund either personally, by your employer or a third party.

To offer flexibility as you save for your pension as you do not need to commit to a regular pattern of saving.

To invest in a wide variety of investments that should enjoy the tax advantages associated with registered pension schemes.

To allow you at retirement to benefit from the tax advantages available including a pension commencement lump sum (tax free) and income drawdown.

To provide for your spouse, partner or dependents should you die.

### Can I Join the SIPP?

The SIPP is available if you are self-employed, employed, a pensioner, a carer, in full time education or unemployed.

A parent or legal guardian may also establish a SIPP for a child.

### What is Your Commitment?

You must make at least one contribution into your SIPP which may be from yourself, your employer, a

third party or by transferring another pension plan into the SIPP.

The funds must be held within the Corporate & Professional SIPP until you take retirement benefits from the plan or they are paid out to a dependent on your death.

You may also transfer them to another registered pension plan.

You must pay charges for your SIPP and these are set out in the Charges Schedule.

You should read and agree the terms and conditions in the application form and sign them.

Because you are likely to enter into agreements with third parties to make investments under your SIPP you should also read and agree their terms before signing them.

### What are the Risks?

The value of your C&P SIPP pension fund and the benefits it aims to provide for you are NOT guaranteed. They will depend on the investments that you have chosen and the investment performance together with charges made and the financial climate when you take benefits.

Investment performance will fluctuate and your investments may not match your expectations. The value of your investments may fall as well as rise and the value of your funds may be less than the contributions or transfers that you have made.

Some investments, such as property may take time to realize and you should take account of this when planning your retirement as it could delay you receiving an income.

If you take benefits earlier than anticipated this could mean that you would receive less than you originally intended.

If you elect to use some or all of your funds to purchase an annuity at retirement the annuity rates may be less than you originally expected.

If you transfer funds into or out of the C&P SIPP you may have to convert them into cash and this may cause you to lose investment growth whilst the transactions are made.

Should the bank holding any cash deposits for your SIPP fail this is covered by the Financial Services Compensation Scheme (FSCS) but there is a limit on any compensation.

### Who Can Make Payments into the SIPP?

Payments may be made by yourself, your employer or a third party on your behalf.

Transfers can also be received from other pension schemes.

Please see our contribution guide for further details.

### What Payments may be made? (Annual Allowance & Life Time Allowance)

The Annual Allowance is the term used to restrict all pension contributions being made into your plan and if you pay over this amount you may suffer a tax charge on the excess. Care should be taken in deciding what level of contributions to make during the year.

For the year 2011 / 2012 the annual allowance is £50,000. This means that you may contribute up to the lower of 100% of your earnings or £50,000 and receive income tax relief against those contributions.

Anyone can contribute £3,600 gross and receive tax relief even if you do not have any earnings.

There is no minimum contribution level and there is no minimum age qualification as a parent or guardian may make contributions for a child.

The frequency of contributions may vary and you can vary the amounts to suit your circumstances.

When an asset is contributed to the SIPP this is termed an "In Specie" contribution and there is a set procedure for this but you must be aware that this could trigger a charge to capital gains tax on the asset

being transferred into the pension fund.

Contributions must stop by your 75<sup>th</sup> birthday and tax relief on contributions also stops on this date.

There is a maximum value known as the Life Time Allowance above which a tax charge may be levied on the excess. Currently this is set at £1.8 million but will reduce to £1.5 million for the tax year 2012/13.

### How is tax reclaimed?

As the administrator we reclaim basic rate tax on personal contributions so that for every £100 contributed we will reclaim £25 and this will be added to your pension fund.

Higher rate tax relief should be claimed via Self Assessment and this should reduce your tax bill, alter your tax code, or create a rebate.

Employer contributions are treated as a business expense and will be dealt with by your local inspector of taxes.

### Can I contribute for previous years?

Provided that you were a member of a registered pension scheme for the years that you are claiming for you may go back three years and contribute up to 100% of your earnings or £50,000 whichever is lower, less the contributions already made for those years.

### Can I Contract Out of the State Second Pension?

Although the C&P SIPP may receive transfers containing the State Second Pension you cannot use the SIPP to contract out. It is expected that contracting out will no longer be an option after April 2012.

### What Transfers Can Be Made To the C&P SIPP?

Transfers from any other UK Registered Pension Scheme or a Qualifying Recognised Overseas Pension Scheme (QROPS) may be accepted.

Transfers of certain assets may be received "in specie" to avoid having to sell them and then repurchase.

Contracted Out benefits may also be received and are held as protected rights.

Before you commit to making a transfer from another scheme we strongly advise you to seek financial advice from a suitably qualified Financial Adviser.

### What is the Scheme Bank Account For?

The bank account is there to provide an audit trail for all contributions, including cash transfers, to be paid into and to make payments out of for investments. Each member has an individual designated account.

This account is not meant to be an investment account although a small rate of interest is added. We may also receive a small payment from the bank which is used to offset our costs and keep the administration cost down.

### What Investments are Allowable

A full list of allowable investments is available but you must be careful as some investments could result in a tax charge.

All cash funds are initially held in the schemes bank account for you as the member until investment instructions are received. Interest is tax free on this account.

You can change your investments at any time unless there are restrictions on the investments themselves.

Investment income and fund growth are tax free but tax on dividends cannot be reclaimed.

### What Retirement Benefit Options Do I Have?

You can normally start to take retirement benefits from age 55 onwards and these would normally comprise of the following:

- 1 A pension commencement lump sum (tax free) usually 25% of your fund
- 2 An income known as drawdown pension (Capped or Flexible)
- 3 A Short Term Annuity
- 4 An Annuity
- 5 A Scheme Pension
- 6 A combination of the above

We strongly recommend that financial advice is taken from a suitably qualified Independent Financial Adviser before deciding on your retirement options.

### What is Drawdown Pension?

Drawdown pension allows you to select how much pension you wish to receive each year and within certain parameters you may change this amount.

There are two types of Pension Drawdown as follows:

#### 1. Capped Drawdown

Capped drawdown allows you to take an income each year between nil and up to 100% of the appropriate GAD rate and this rate is reviewed every three years although there is a facility to change this.

#### 2. Flexible Drawdown

Flexible Drawdown allows you to take an unrestricted income provided that you can show a minimum income of at least £20,000 which must come from the following:

- State Pension
- Scheme Pension from a scheme with at least twenty members
- Lifetime Annuity
- Social Security Pension

The pensions must be in payment at the time of the election.

### What happens if I die whilst being a member of the pension scheme?

If you die before taking any retirement benefits and you are under age 75 the accumulated fund may be paid to your nominated beneficiary(s) free of tax and should not be liable to inheritance tax. If you are aged 75 or over then tax is charged at 55%. For example a fund of £100,000 would suffer tax of £55,000.

If all or part of your funds are in drawdown then those funds allocated to the drawdown (Crystallised Funds) will be taxed at 55%.

Alternatively, your spouse, civil partner or dependents may choose to receive an income from the fund by continuing the pension scheme in their name(s)

### To become a member of the C&P SIPP

Complete an Application Form, Bank Account Opening Form and Transfer Form if appropriate.

In order for us to comply with anti-money laundering legislation, please will you also forward original or certified copies of your passport or driving licence and one recent utility bill (no more than 3 months old) showing your name and current address.

### Cancellation Rights

Cancellation Rights apply to your SIPP and you will normally have the right to cancel your application within 30 days. This time limit applies from the date that we receive your application and a letter will be sent to you to remind you of your rights.

During the cancellation period we will retain any contributions made and or transfer values received in your designated SIPP Bank account until the cancellation period has expired. No investments will be made during this period.

However, if you wish to make investments immediately you may waive your rights to the cancellation period by completing the appropriate section in the application form and signing the declaration.

### Execution Only Confirmation

Corporate & Professional Pensions Limited act as the administrator and trustee to the C&P SIPP and do not give advice to you in relation to the establishment or suitability of this SIPP for your circumstances.

Your SIPP will be established on an execution only basis and we do not give advice on either investments or pension transfers.

### Complaints

If you are not satisfied with any aspect of the services provided by us, you should write to the Managing Director at Corporate & Professional Pensions Ltd setting out the details of your complaint and this will be dealt with in accordance with our complaints procedure.

If you are not satisfied with our response to your complaint you may refer your complaint to the Financial Ombudsman Service (FOS) or the Pensions Ombudsman. Your legal rights will not be affected by addressing your complaint to either of these bodies.

Where your unresolved complaint refers to the administration of your SIPP you should contact The Pensions Ombudsman, who are an independent organisation set up to adjudicate between us so that any problems may be resolved. They can be contacted at:

### The Pensions Ombudsman

11 Belgrave Road,  
London SW1V 1RB

Tel: 020 7821 0065  
Email: [enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)

Where your complaint is about the marketing of your SIPP you should refer your complaint to The Financial Ombudsman Service, who provide consumers with a free independent service for resolving disputes with financial firms. They can be contacted at:

### The Financial Ombudsman Service

South Quay Plaza  
183 Marsh Wall  
London E14 9SR

Tel: 0845 080 1800  
Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

Corporate & Professional Pensions Limited are covered by the Financial Services Compensation Scheme (FSCS) so that in the event of us becoming insolvent you may be able to claim compensation. Further details can be obtained from:

### The Financial Services Compensation Scheme

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