

Important information is contained in this document, you need to read and understand before you invest. The Financial Conduct Authority is the independent financial services regulator. We are required to give you this information to help you decide if our SIPP is right for you. Please read this document carefully and retain for future reference. This document should be read in conjunction with our key features illustration, our terms and conditions, our application form and our client agreement document.

MATTIOLI WOODS SIPP KEY FEATURES

The Financial Conduct Authority is the independent financial services regulator. It requires us to give you this document which contains important information about the Mattioli Woods SIPP. Along with the application form and terms and conditions these will help you consider the relevant facts and figures before making your investment decision. Please read all documentation which has been enclosed as it is important that you fully understand the pension you are about to set up. Please retain this document for future reference.

The Mattioli Woods SIPP is a registered pension scheme, set up under trust and approved by HM Revenue & Customs. This is a type of scheme known as a self-invested personal pension, which allows you to make your own investment decisions.

You should be aware that stakeholder pension schemes are generally available and might meet your needs as well as this pension scheme.

If there is anything you do not fully understand or if you would like further information, please call your consultant on 0116 240 8700, or you can email us at info@mattioliwoods.com.

AIMS OF THE MATTIOLI WOODS SIPP

To build a fund of money in a tax-efficient way to provide you with an income in retirement.

To allow flexibility in a broad range of investment opportunities.

To create the right structure in order to enhance the potential of pension assets owned by the scheme.

To allow the flexible taking of benefits upon retirement.

YOUR COMMITMENT

You commit to make one-off or regular contributions or a transfer to your SIPP.

To tell us if you stop being eligible to receive tax relief on your contributions.

There is no commitment to make regular contributions to the SIPP and no penalties for ceasing/reducing such contributions.

To let the fund value build, until your retirement age and then use the fund to buy pension benefits.

To tell us if you change your job, start or stop working or join a company pension scheme, or if any of your personal circumstances change.

To tell us if you access other pension funds under flexi access rules.

Please ensure you understand what the scheme will do for you, including what costs and expenses will be incurred in establishing the scheme, and on an ongoing basis.

RISK FACTORS

We cannot guarantee future values, as the final fund value will depend on several factors including how much you contribute, how long you invest, how well the investments perform and the charges we make. We cannot guarantee future values as they can go up and down. You may not receive the original investment amount.

When benefits are taken, the amount you receive will depend on your fund value and interest rates at that time.

The value of your fund can depend on a number of factors, including but not exhaustive:

- Performance of your chosen investments.
- The rate of inflation.
- Age at which you take benefits.
- Our fees and charges.
- Charges on your investments.
- Amount contributed.

If you take your benefits before your selected retirement age, it could result in a lower pension than anticipated.

If withdrawals of income are higher than the investment returns during the relevant period, your pension may need to be decreased.

As the Government can change state pensions and benefits in the future, it may be unwise to rely on a particular type or amount being available when you retire.

If you change your mind within 30 days of the date of the trust deed, you will not get back all of the lump sum you paid if the investment value has fallen.

Some investments such as property and unquoted shares may take longer to sell than other forms of investment.

The value of any commercial property will be based upon an independent valuer's estimate.

If you or your employer pay contributions to this and any other registered pension scheme in excess of the annual allowance or money purchase annual allowance if triggered, you will be personally liable to pay a tax charge.

The Government may change the favourable tax treatment for registered pension schemes in the future and this may affect the benefits you can take.

WHAT IS A SIPP?

A SIPP is a self-invested personal pension, approved by HM Revenue & Customs that helps you save for your retirement in a tax-efficient way. The fundamental difference between a SIPP and other insured pension policies is that it offers a high degree of control and investment flexibility, and also creates the right structure in order to enhance the potential of pension assets owned.

A SIPP is open to anyone whether employed, self-employed or not employed. However, children under 16 and those under 18 who are not in employment or self-employed, cannot start a plan in their own right but a legal guardian can start it on their behalf.

HOW FLEXIBLE ARE THE INVESTMENT OPTIONS?

Funds are able to be invested in cash/deposit accounts, insured funds, unit and investment trusts, and OEICs, as well as real assets such as shares and commercial property/land (directly and syndicated).

Remember that some investments carry a higher level of risk than others, and therefore the value of all investments can fall as well as rise.

Investments may need to be realised to provide liquidity for payment of benefits and to pay charges incurred by the scheme.

WHAT ARE THE TAX ADVANTAGES?

Contributions for members below age 75 (see section below) qualify for tax relief, and the Revenue does not limit the amount paid into the scheme – only the amount that is tax privileged. Non-UK residents are treated differently in respect of tax relief.

The plan value grows free of capital gains tax and income tax (except for income and dividends from UK shares, OEICs and unit trusts) unless the investment is deemed to be a prohibited asset by HM Revenue & Customs.

Generally, you can take 25% of your fund as a tax-free lump sum and any income withdrawals will be taxed as earned income.

If you die before you retire, there is, normally, no inheritance tax payable on your plan value.

WHAT ARE THE POSSIBLE TAX CHARGES?

Contributions in excess of the annual allowance or money purchase annual allowance if triggered are taxed via the annual allowance charge (see 'contributions' below).

If an investment is deemed to be a prohibited asset by HM Revenue & Customs, there will be tax charges on both the member and the scheme.

All income withdrawals will be taxed under the PAYE system.

Funds paid out in excess of a Lifetime Allowance, will attract a Lifetime Allowance charge*.

Any payments which are not made in line with HM Revenue & Customs directives/calculations will be subject to unauthorised payment charges on both the member and the scheme.

CAN I BE A MEMBER OF AN OCCUPATIONAL PENSION SCHEME AND HAVE A SIPP?

Yes, although there are restrictions on the level of contributions which can be made, and the annual allowance and money purchase annual allowance (see below) is in respect of all pension schemes within a tax year.

WHAT CHOICES WILL I HAVE WHEN I RETIRE?

We set up your plan to provide benefits from your selected retirement age. However, you can select any age from your minimum retirement age. This is currently age 55 but will raise to 57 from April 2028. Certain protections apply.

You can start taking a pension before age 55 only if you are in severe ill health, if HM Revenue & Customs has agreed a lower age for your occupation or you have a protected retirement age

You do not have to stop working to take benefits.

You can also change your selected retirement age at any time.

You have an option to take all of your benefits at once or phase the taking of benefits over time.

You can take your benefits in a variety of ways:

Flexi-access drawdown

In most cases you can take a lump sum up to 25% of your fund value. (Where certain tax free cash protections apply you may have the option of a higher lump sum, or you may be restricted to less than 25% of the plan value*.) You can then draw a regular income from the remaining fund. Any income drawn is taxed at your marginal rate. The income can be a fixed level or can be changed at any time.

Lifetime annuity

In most cases you can take a lump sum of up to 25% of your fund value. (Where certain tax free cash protections apply you may have the option of a higher lump sum, or you may be restricted to less than 25% of the plan value*.) The remaining fund could then be used to purchase an annuity from an insurance company. The annuity provider will then pay you a regular income until you die. Income is taxed at your marginal rate.

WHAT MIGHT I GET WHEN I RETIRE?

The final fund value will depend on several factors including how much you contribute, how long you invest, how well the investments perform and the charges we make. We cannot guarantee the future value as it can go up and down.

DEATH BEFORE AGE 75

On death before age 75, the following options are available:

- The fund can be retained within the scheme to provide flexi-access drawdown pension.
- The entire fund can be paid out as a lump sum.
- Funds can be used to purchase a dependants annuity.
- Funds can be used to provide a dependants scheme pension.
- A combination of the above can be paid.

If your pension funds are designated to your beneficiaries as a lump sum death benefit within two years, they will be paid tax-free. Any lump sum paid after the two-year rule will be taxed at the recipient's marginal rate of income tax. If the recipient is a non-qualifying individual, a tax charge of 45% will apply.

If your funds remain within the pension scheme to pay an income to your beneficiaries, the income is paid tax-free assuming funds are designated for income within two years.

Any amounts not designated within two years, future income would be taxed at the recipient's marginal rate. There is no two-year rule for funds which were previously used to provide you with an income, these can be paid tax free.

If you die after receiving benefits without any dependants, you can nominate a charity to receive a lump sum, this will be paid tax-free.

DEATH AFTER AGE 75

If you die post-age 75, the following options are available:

- The fund can be retained within the scheme to provide flexi-access drawdown pension.
- The entire fund can be paid out as a lump sum.
- Funds can be used to purchase a dependant's annuity.
- Funds can be used to provide a dependant's scheme pension.
- A combination of the above can be paid.

If you die after age 75 then any lump sum death benefits are taxed at the recipient's marginal rate of income tax. If the recipient is a non-qualifying individual, a tax charge of 45% will apply.

If the funds are used to provide an income to your beneficiaries this is taxed at their marginal rate of income tax.

If you die after receiving benefits without any dependants you can nominate a charity to receive a lump sum, this will be paid tax-free.

CONTRIBUTIONS

You can personally pay regular contributions or as lump sums, and these are paid net of basic rate tax, or net of starter rate of tax if you are a Scottish resident. We claim the tax relief at the basic rate from HM Revenue & Customs and reinvest it in your scheme. If contributions are made by a higher rate taxpayer, or intermediate rate taxpayer if you are a Scottish resident, extra tax relief can be claimed from HM Revenue & Customs via self-assessment, subject to certain restrictions.

If you are employed, your employer can also pay into your plan, in the same manner as personal contributions. However, these contributions are paid gross.

Your payments can be varied as you wish, and you have flexibility to start, stop and restart your payments even if they are regular.

If you stop making payments, your money will stay invested in your fund. Reducing or stopping your payments will reduce the pension you get.

If you are a UK resident, you are automatically eligible to have tax relief on the higher of £3,600 gross (£2,880 net of tax) or 100% of relevant earnings. For those with earnings in excess of the 'annual allowance' (see below) restrictions on contributions are imposed by the Revenue.

An 'annual allowance' is set by HM Revenue & Customs, which is the level at which contributions can be made and qualify for tax relief, details of which are available upon request.

The annual allowance can be exceeded (if earnings support the contribution), but HM Revenue & Customs will levy a tax charge on the excess amount. The level of the tax charge applied on the excess is dependent on your marginal rate of income tax.

If you flexibly access benefits, which includes taking income under flexi-access drawdown, you will trigger the money purchase annual allowance. Contributions into any money purchase arrangements will be restricted to £10,000 per annum.

HM Revenue & Customs limit how much you can pay into your plan in a tax year. Everyone can pay in up to £2,880 net of tax a year (£3,600 gross).

You can pay in more if justified by your net relevant earnings. Tax relief can be obtained on contributions up to 100% of net relevant earnings, subject to the annual allowance limit.

There is the ability to utilise unused relief from the previous

three tax years, certain conditions apply. For further details please contact us.

If you are a co-trustee you can direct where investments can be placed in accordance with prevailing legislation. These could include professional managed funds or other investment vehicles including property and equities.

WHAT ARE THE CHARGES?

These are detailed in the Client Agreement provided.

HOW WILL I KNOW HOW MY PLAN IS DOING?

After the anniversary date of the scheme, we will send you annual valuations to show how your scheme is progressing.

You can also request an up-to-date valuation at any time.

TRANSFERS

If you have a pension plan with another pension company, you are able to transfer its value into the scheme as long as it is from another registered pension scheme or a recognised overseas pension scheme. There is no guarantee that doing so will increase your total pension.

The scheme can be transferred to another registered pension scheme subject to any time-cost charges before you start taking a pension.

The scheme can be transferred to another provider at any time, but should payment of benefits have commenced, a transfer can only be made to a registered pension scheme which has provisions allowing receipt of transfers from income withdrawal arrangements.

There is no tax relief on transfers from other pension funds into the scheme.

You also have a right to change your mind in relation to transfers into your scheme. We will remind you of this right following completion of a transfer into your plan. You can cancel your transfer up to 30 calendar days after you receive our transfer confirmation letter.

If you decide that you wish to cancel the transfer, please confirm in writing within 30 days and we will seek to return the transfer to the previous provider, less any fall in the investment value. Please note some providers may refuse to accept the return of a transfer, in which case you will need to find another provider to accept the transfer proceeds.

CAN I CHANGE MY MIND?

You have a right to cancel your SIPP application. We will remind you of this right by post when we set up your plan. You can cancel your plan up to 30 days after you receive our welcome letter confirming your membership of the scheme.

If you decide that you do not want the plan, please confirm by sending an email to info@mattioliwoods.com or by writing to us at the address listed at the end of this form. Please ensure you include your full name and the scheme name as listed on the welcome letter. An instruction to cancel must be issued prior to the expiry of the 30-day period to remain valid. We will give you your money back less any fall in the investment value if you have paid a lump sum.

Please note that where cancellation rights are exercised, you may still be liable for any adviser charges agreed with your financial adviser (if applicable). You will need to liaise with your adviser to confirm. If you do not cancel within 30 days, your plan will continue as set out in these key features and the terms and conditions.

Your rights will come into effect from the date of our welcome letter. However, if you or your adviser request that a transaction is placed, that establishes your membership of the scheme within the cancellation period e.g., transfer into the scheme, you will automatically lose the right to cancel the plan.

LAW

The law of England and Wales will apply.

IF YOU HAVE A COMPLAINT?

If you have any dissatisfaction about the advice or service you receive or a product you have taken out through us, please contact us at your convenience on 0116 240 8700, clientcare@mattioliwoods.com or write to a Client Experience Partner at 1 New Walk Place, Leicester, LE1 6RU. A copy of our complaint handling procedure is available on request and we promise to deal with your complaint in a fair and objective manner. If we cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.

In writing:

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR

By telephone: 0800 0234567

COMPENSATION

If a financial adviser recommends the product, you have a legal right to compensation if the Financial Ombudsman Service decides it was not suitable for your needs at the time.

You may qualify for compensation from the Financial Services Compensation Scheme if we become unable to pay claims against us because of financial difficulties. It will depend on the nature of the business and the circumstances of the claim. The scheme covers most insurance contracts for 100% of the first £2,000 and 90% of the rest of the claim. You can get further information from the Financial Conduct Authority or from the Financial Ombudsman Scheme.

OUR CONTACT DETAILS

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In the March 2023 Budget, announcements were made that will change the way the pension scheme is tested against the Lifetime Allowance. These changes are due to be brought in in April 2023 and April 2024,

Changes announced in the Finance Bill 2023 will make an adjustment to the tax position where lump sum payments over the available Lifetime Allowance are taken.

While it has been announced that the Lifetime Allowance will be removed from April 2024, HMRC has confirmed that all reporting requirements and tests against the Lifetime Allowance should continue for the 2023/2024 tax year.

For 2023/2024 the Lifetime Allowance charge will be 0% but where a lump sum is paid from uncrystallised funds over the Lifetime Allowance, there will be tax charges on the beneficiary at their marginal rate of income tax.

The Finance Bill 2023 also introduced certain restrictions to the amount of tax-free cash that can be taken. From 2023/34 this is capped to £268,275.00 unless protection is held (certain conditions apply)

* The Finance Bill 2023 is subject to Royal Assent.