



keyfacts®



MW SIPP (Sole Trustee)
| KEY FEATURES

KEY FEATURES OF THE MW SIPP

The Financial Conduct Authority is a financial services regulator. It requires us, Mattioli Woods, to give you this important information to help you to decide whether our MW SIPP 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.

This document should be read in conjunction with our key features illustration, our terms and conditions, our application form and our MW SIPP agreement document.

Please read all documentation which has been enclosed as it is important that you fully understand the pension you are about to set up. If there is anything you do not fully understand or if you would like further information, please call your adviser on 0116 240 8700, or you can email us at info@mattioliwoods.com.

ITS AIMS

- To help you build up a retirement pension pot in a tax-efficient way.
- To allow the flexible taking of benefits upon retirement.
- To allow you to pass on any remaining funds on your death to whom you wish.

YOUR COMMITMENT

- To fund your MW SIPP by either making a one-off contribution, regular contributions, transferring to your MW SIPP from another provider, or a mixture of these options. There are no penalties for subsequently ceasing or reducing such contributions.
- To tell us if you stop being eligible to receive tax relief on your contributions.
- To tell us if your personal circumstances change, including changes to income or employment which could affect the level of tax relievable contributions you are able to make.
- To tell us if you intend to access other pension funds under flexi access rules.
- To let us know about any change which might affect the administration of your MW SIPP, for example, a change of email address.

RISK FACTORS

PRODUCT RISKS

- The value of your pension pot and the associated benefits it provides can go down as well as up.
- You may get back less than has been invested.
- The value of your pension pot and associated benefits on a number of factors, including but not limited to:
 - how much you contribute or transfer in
 - how long you invest
 - how well the investments perform
 - the charges you pay
 - the age at which you take benefits
 - the rate of inflation
- You can change your mind within 30 days of the date of the establishment of your MW SIPP. You may not get back the full value of the fund if charges have been applied. Please read the 'Can I change my mind?' section of this document for details of your cancellation rights.
- The Government may change the tax treatment for registered pension schemes in the future; this may affect the structure in which you can take benefits.

- Illustrations show how your MW SIPP may work for you. The projections within the illustration are not guaranteed. The actual performance will depend on the investment performance of the underlying investments and any applicable charges.
- The risk profile of your MW SIPP will depend upon the choice of investment strategy. This will be discussed with you and agreed by your adviser.
- If you or your employer pay contributions to this and any other registered pension scheme in excess of your available annual allowance, or money purchase annual allowance if triggered, you will be personally liable to pay any annual allowance charge.

INCOME DRAWDOWN RISKS

- When benefits are taken, the amount you receive will depend on your fund value and the manner in which you take benefits. Your options can be discussed at the time or in advance with your adviser.
- 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, the income you take will deplete your pension pot. If this happens you may need to reduce your income payments.
- 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.
- The income you take may have an impact on any means-tested benefits you are receiving.
- Investments may need to be realised to provide liquidity for payment of benefits and to pay charges incurred by the scheme.
- Realising funds from an investment when markets are depressed could crystallise losses which may not then be recouped.

QUESTIONS AND ANSWERS

WHAT IS THE MW SIPP?

- The MW 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 (also known as a SIPP), which allows you to invest in Mattioli Woods advised products via approved platforms (see Schedule 1 of the MW SIPP Client Agreement for approved platforms) and cash via approved banks (see Schedule 1 of the MW SIPP Client Agreement for approved banks).
- The MW SIPP is designed to be a simple self-invested personal pension for those clients who do not require the added control of being a trustee of their own pension scheme.
- You should be aware that stakeholder pension schemes are generally available and might meet your needs as well as this pension scheme.
- You may also be eligible or already a member of a workplace pension scheme.

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 one on their behalf.

- The legal guardian will be responsible for the applicant's plan until the applicant reaches age 18 (or any earlier legal age of majority in accordance with the Law of England and Wales).

HOW FLEXIBLE ARE THE INVESTMENT OPTIONS?

- You can direct where investments can be placed in accordance with prevailing legislation and policy restrictions.
- Funds within your MW SIPP are able to be invested in any Mattioli Woods advised product held on an approved platform (see Schedule 1 of the MW SIPP Client Agreement for approved platforms).

WHAT ARE THE TAX ADVANTAGES?

- Contributions for members below age 75 (see section below) qualify for tax relief, and HM Revenue & Customs does not limit the amount contributed into the scheme – only the amount that is tax relieviable. Non-UK residents are treated differently in respect of tax relief.
- The value of funds within the MW SIPP is able to grow free of capital gains tax and income tax 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 withdrawals above this amount will be taxed as earned income at your marginal rate.
- If you die before you retire there is, normally, no inheritance tax payable on the value of your MW SIPP.

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 withdrawals in excess of the 25% tax free allowance will be taxed under the PAYE system.
- Any payments which are not made in line with HM Revenue & Customs directives or 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 AN MW 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 contributions and/or accrual within a tax year.

WHAT CHOICES WILL I HAVE WHEN I RETIRE?

- We will set up your MW SIPP to provide benefits from your selected retirement age. However, you can select any age from the minimum pension age.
- You can start taking a pension before the minimum pension age only if you are in severe ill health, you have a protected retirement age, or if HM Revenue & Customs has agreed a lower age for your occupation.
- You do not have to stop working to take benefits. (Certain conditions apply when benefits are taken before the minimum retirement age).
- You can 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 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).
- You can then draw regular or ad hoc taxed amounts from the remaining fund.
- Any withdrawals above 25% of the fund are taxed at your marginal rate. Withdrawals can be at 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 can then be used to purchase an annuity from an insurance company.
- The annuity provider will then pay you a fixed 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
 - the charges you pay
- We cannot guarantee the future value as it can go up and down.

WHAT HAPPENS IF I DIE BEFORE AGE 75?

- On death before age 75, the following options are normally available (subject to HM Revenue & Customs restrictions):

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

- If your pension funds are designated to your beneficiaries as a lump sum death benefit within two years, they could 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.
- For 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.

WHAT HAPPENS IF I DIE AFTER AGE 75?

- If you die after age 75, the following options are available:
 - The fund can be retained within the scheme to provide flexi-access drawdown pension for your beneficiaries.
 - The entire fund can be paid out as a lump sum to your beneficiaries.
 - The fund can be used to purchase a dependant's annuity.
 - 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.

CAN I MAKE CONTRIBUTIONS TO MY MW SIPP?

- You can personally pay regular contributions or lump sums. These are paid from net income, and we will claim tax relief at the basic rate of 20% (regardless of your marginal income tax rate) from HM Revenue & Customs and reinvest it in your scheme.
- If contributions are made by a higher rate, additional/top rate or intermediate rate taxpayer, extra tax relief can be claimed from HM Revenue & Customs via self-assessment, or an adjustment to your tax code, 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 payments, your money will stay invested in your fund. Reducing or stopping your payments will reduce the pension you get, when compared to the pension you may have received had you continued contributions to your selected retirement age.
- 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 HM Revenue & Customs.

- An 'annual allowance' is set by HM Revenue & Customs, which is the level at which contributions can be made before annual allowance charges apply.
- High earners may also receive a tapered annual allowance. Details of both are available upon request.
- The annual allowance (plus any carry forward) 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, subject to a minimum of 20%.
- 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 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 the Money Purchase Annual Allowance set by HM Revenue & Customs.

WHAT ARE THE CHARGES?

- These are detailed in the MW SIPP agreement provided.

HOW WILL I KNOW HOW MY PLAN IS DOING?

- After the anniversary date of the scheme, we will send you an annual valuation to show how your scheme is progressing.
- You can also request an up-to-date valuation at any time.

CAN I TRANSFER ANOTHER PLAN TO MY MW SIPP?

- If you have a pension plan with another pension company, you may be 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.
- Certain restrictions may apply.
- There is no tax relief on transfers from other pension funds into the scheme.
- 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 charges that have been incurred at that time.
- 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.
- However, if you or your adviser request that a transaction is placed within the cancellation period (e.g. an investment), you will automatically lose the right to cancel the transfer. Please read the "Can I change my mind?" section of this document for details of your cancellation rights.

CAN I TRANSFER MY MW SIPP TO ANOTHER PENSION PLAN?

- The MW SIPP 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.

CAN I CHANGE MY MIND?

- You have a right to cancel your MW SIPP application. We will remind you of this right by post or email 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.
- 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, the MW SIPP agreement and the MW SIPP 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. investment or transfer into the scheme (other than a transfer that establishes 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
- Website: www.financial-ombudsman.org.uk
Alternatively, you may have the right to complain to The Pensions Ombudsman (TPO) for complaints and disputes that concern the administration and/or management of occupational and personal pension schemes.
- In writing:
The Pensions Ombudsman
10 South Colonnade
Canary Wharf
E144PUT
- By telephone: 0800 917 4487
- Website: www.pensions-ombudsman.org.uk/

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.

HOW TO CONTACT US:

- In writing:
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- By Fax: 0116 240 8701
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