



# Self Invested Personal Pension SIPP: KEY FEATURES

The Crunch Investments and Pensions Self Invested Personal Pension (SIPP) allows you to take total control of your retirement planning, enabling flexibility both in its ongoing investment and how you choose to receive the benefits.

The Financial Conduct Authority is a financial services regulator. It requires us, Liberty SIPP Ltd, to give you this important information to help you to decide whether the Crunch Investments and Pensions 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.

## CONTENTS

- 1. Aims and objectives .....2
- 2. Your commitment.....2
- 3. What are the risks? .....2
- 4. Frequently asked questions..... 3
  - What is a Self-Invested Personal Pension?.....3
  - What are the tax advantages?.....3
  - How do contributions work? .....3
  - What retirement income options will I have when I reach age 55? .....3
  - What is flexi access drawdown? .....3
  - When can I buy an annuity?.....3
  - What happens to my pension if I die before age 75? .....4
  - What happens to my pension if I die after age 75? .....4
  - Who will administer my plan?.....4
  - What are the charges? .....4
  - What rate of interest will I receive on my SIPP bank account?.....4
  - Do Liberty SIPP retain any of the interest?.....4
  - When will I receive a valuation of my fund?.....4
  - Can I transfer my plan? .....4
  - Can I change my mind?.....5
  - What do I do if I have a complaint?.....5
  - What is the Financial Services Compensation Scheme?.....5

## 1. AIMS AND OBJECTIVES

Through your Crunch Investments and Pensions SIPP you can invest in a broad range of investments. Your Crunch Investments and Pensions SIPP aims to:

- Help you save for your retirement, assisted by generous tax advantages
- Enable you to transfer in existing pension benefits
- Allow you to take an income while still benefiting from investment performance and avoid being locked into one particular pension rate
- Provide a regular income withdrawal or pension annuity when you retire after age 55, or a tax-free lump sum and a reduced regular income withdrawal or pension annuity
- To provide regular income withdrawal or pension annuity or a lump sum for your dependant(s) on your death
- Give you control over your pension fund investments. You can make investment decisions with the help of your Crunch Investments and Pensions financial adviser.

## 2. YOUR COMMITMENT

- You will make regular and/or single contributions within HM Revenue and Customs limits and/or transfer in funds from other pension plans.
- There is no commitment on your part to continue making contributions and there is no penalty for reducing or stopping contributions.
- You must normally wait until you have reached the age of 55 before being able to access your benefits.

## 3. WHAT ARE THE RISKS?

- The growth of your pension fund will largely depend on the performance of the investments.
- The value of your investments is not guaranteed and could go down as well as up.
- The wide and varied range of investments and markets you can choose to invest in means that they may have different risks attached to them. If unsure you should ask a member of the Crunch Investments and Pensions team.
- Some investments such as property may take longer to sell than others and you may not be able to realise your investment when you choose to.
- The value of any property investment may be based on a valuer's estimate rather than the actual market price.
- As well as investment growth, your SIPP benefits will depend on how much you have paid in, how much is deducted for charges, annuity rates (if a secure income is desired) and taxation.
- Your planned benefits may not be achieved if you have to reduce or stop payments to your SIPP.
- Where charges are deducted from the fund, this will impact on the overall value of your fund.
- High income withdrawals are unlikely to be sustainable if investment returns are low during the withdrawals period which will affect how much is available for annuity purchase.
- Higher levels of income withdrawals could mean less would be available to provide for your dependants or to buy an annuity.
- Pension annuity rates can change substantially over short periods of time, both up and down. They could be worse when you buy an annuity than they are now.
- The longer you leave it before buying a pension annuity, the greater risks you bear of lower levels of income if you live longer than expected.
- Charges may turn out to be higher than expected as they may be revised in the future.

## 4. FREQUENTLY ASKED QUESTIONS

### What is a Self-Invested Personal Pension?

A SIPP is a personal pension which allows you to save in a tax-efficient manner for your retirement. You and/or your employer can make single or regular contributions. If you have previous pension arrangements, you may transfer them into your Crunch Investments and Pensions SIPP. You can invest in a wide range of investments including commercial property.

### What are the tax advantages?

All contributions qualify for tax relief at your highest marginal rate (subject to HMRC restrictions). Your pension fund is free from UK income and capital gains taxes although tax may not be reclaimed on UK dividends. On your death, your accumulated fund can normally be paid free of inheritance tax. These tax advantages are based on our current understanding of the legislation and may change in the future.

### How do contributions work?

Up to age 75, you and/or your employer can pay tax relievably contributions up to the Annual Allowance in each year. The tax relief on personal contributions is limited to the higher of 100% of earnings (up to the Annual Allowance) or £3,600 per annum. Additional limitations may be imposed if benefits have been taken.

Contributions to all schemes to which the individual is a member need to be taken into account when testing against the Annual Allowance. There will be a tax charge against contributions made in excess of the Annual Allowance which is payable by the member. The Trustees of the Self Invested Pension Plan do not take responsibility for confirming whether a contribution will qualify for tax relief.

A declaration from you confirming your earnings in the tax year will be sufficient for any personal contributions made. Contributions can be paid in the following ways and you should deduct basic rate tax if you are contributing personally:

- Cheques made payable to “Liberty SIPP Re: (Member Name)”
- Chaps / BACS payments - Standing Order

NB: Contributions paid directly from an employer should be paid gross. All contributions will be paid directly into your SIPP bank account

### What retirement income options will I have when I reach age 55?

You can choose to start taking an income once you reach age 55. Income can be taken as: flexi-access drawdown, the purchase of an annuity, or a combination of both. If you were in ‘capped drawdown’ before 6 April 2015, you can continue to take income via capped drawdown, subject to certain requirements. You also have the option to take uncrystallised funds pension lump sums, subject to certain requirements.

### What is flexi access drawdown?

It is an option for anybody over the age of 55 where they can start to take an income from their SIPP.

You can take up to 25% of your fund tax free as a pension commencement lump sum, as long as you have sufficient lifetime allowance available. You can then drawdown on the rest of the fund as and when you want, paying your marginal rate of tax, subject to no limits.

### When can I buy an annuity?

You can choose to use some or your entire fund to purchase an annuity at any time from age 55. You can choose the annuity provider from whom to purchase the annuity.

### What happens to my pension if I die before age 75?

If you die before your 75th birthday you can pass your pension onto any beneficiary completely tax free as a lump sum or beneficiary's drawdown pension. Any funds that haven't been used for drawdown will be tested against the lifetime allowance. Any funds over the lifetime allowance will be taxed at 55% before these are paid to the beneficiaries.

### What happens to my pension if I die after age 75?

In the tax year 2015/16 you can pass your pension on to your beneficiaries as a lump sum, where your beneficiaries will pay 45% tax. After 6 April 2016 you can pass your pension on to your beneficiaries as a lump sum, where your beneficiaries will pay their marginal rate of income tax. Your beneficiaries can also receive death benefits as a pension where they will pay their marginal rate of tax on each income payment. This will be known as beneficiary's drawdown.

### Who will administer my plan?

The Crunch Investments and Pensions SIPP is administered by Liberty SIPP (the administrator) who are based in Bury. If you cease to be a client of Crunch Investments and Pensions you may continue to hold the SIPP. All investment decisions and administrative requirements will need to be conducted directly with Liberty, and you would then be subject to the Liberty SIPP charging structure.

### What are the charges?

Please refer to the Crunch Investments and Pensions Client Agreement for the current fee structures.

Crunch Investments and Pensions ISA/SIPP initial advice	2% starting at £555 and capped at £10,000
Crunch Investments and Pensions ISA/SIPP ongoing advice	1% capped at £499
Underlying Fund Costs	Between 0.1% and 0.35%*
Platform	0.34%

### What rate of interest will I receive on my SIPP bank account?

Liberty SIPP uses Metro Bank for its transactional banking purposes. As part of their agreement with Metro Bank any cash deposits receive interest at the current base rate

### Do Liberty SIPP retain any of the interest?

Yes. Metro Bank pays an additional rate above the base rate to Liberty SIPP Ltd to cover any transactional costs associated with the management of the SIPP bank account. By way of an example, the Metro SIPP bank account currently receives 1% interest, where base rate (currently 0.5%) is paid to the you and 0.5% is retained by Liberty SIPP Ltd. The base rate and the rate we receive from Metro Bank can fluctuate therefore please visit [www.libertypensions.com/direct-client/charges](http://www.libertypensions.com/direct-client/charges) for the current rates.

### When will I receive a valuation of my fund?

You will receive a valuation of your fund at the anniversary of the establishment of your SIPP. Ad hoc valuations can be requested at any time. Please note that there may be a fee charged for an ad hoc valuation.

### Can I transfer my plan?

Yes, you may transfer your plan to another registered pension scheme at any time, either in-specie or in cash. Please refer to the Liberty SIPP Schedule of Fees for the charges involved.

## Can I change my mind?

You have the right to cancel your SIPP within 30 days from the date Crunch Investments and Pensions SIPP receive the application and a notice will be sent to you explaining this. If you wish to cancel your Crunch Investments and Pensions SIPP you will need to provide the administrators (contact details below) with written confirmation and send this to them before the 30 days has expired. Funds cannot be invested outside of the SIPP before the 30 day period has expired.

If you cancel your SIPP any contributions made will be returned and if there are any funds that have been transferred into the SIPP during this period we will attempt to return these to the provider you have transferred from although cannot guarantee that this will be possible as not all providers will accept funds back. If the original provider will not accept the funds back we will allow you to transfer out of Crunch Investments and Pensions SIPP free of charge if you have cancelled the membership within the 30 days.

You can choose to waive your cancellation right in respect of the commencement of the SIPP by completing the appropriate part of the application form. If you do this any funds received into the SIPP can be invested immediately however if you then choose to cancel the SIPP fees will be payable for the administration work carried out and any transfer out we are instructed to do. Please note that the right to waive the cancellation right does not apply to transfers in to the Crunch Investments and Pensions SIPP.

Each time you apply to transfer an existing pension into the Crunch Investments and Pensions SIPP you have a right to cancel the transfer. Each transfer can be cancelled separately up to 30 days after Crunch Investments and Pensions have received a signed transfer discharge form or signed letter of authority and a notice of this right will be sent to you separately. The Crunch Investments and Pensions team will request transfers immediately on your instructions and so if funds are received into the SIPP and you then choose to cancel the transfer before the 30 days have expired we will attempt to return the funds. We cannot guarantee that the transferring scheme will be able to accept the funds back and so if this is the case we will allow you to transfer out free of charge.

A 30 day cancellation period also applies to flexi access and capped drawdown and a notice will be sent to you in this event which will allow you 30 days from the date we make any payment to you to change your mind. If funds have been sent to you in respect of flexi access and capped drawdown and you then choose to change your mind within the 30 days the funds will need to be returned to the SIPP.

## What do I do if I have a complaint?

We want all our customers to feel happy with the products and service we provide, so we take any complaint extremely seriously. If you aren't happy with our products or our service then please email us at [financialplanning@crunch.co.uk](mailto:financialplanning@crunch.co.uk). We'll let you know we've received your email, investigate your complaint thoroughly and then get back to you.

If you aren't happy with how we deal with your complaint or if it is unresolved after eight weeks, you will be able to refer your complaint against us to the Financial Services Ombudsman Service. Their address is: The Financial Ombudsman Service, Exchange Tower, London E14 9SR. You can read more about the ombudsman here [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) Details of our complaints handling process are available from any member of our team.

## What is the Financial Services Compensation Scheme?

In the event of Liberty SIPP Limited being unable to pay you any money we owe, you may be eligible for compensation under the Financial Services Compensation Scheme (FSCS). Most types of investment business are covered for up to 100% up to the maximum compensation limit of £50,000. Full details of the FSCS are available on request from our compliance officer or at [www.fscs.org.uk](http://www.fscs.org.uk).



Liberty SIPP Limited authorised and regulated by the Financial Conduct Authority under number 476409. Liberty SIPP Limited are registered in England and Wales under company number 6365953 at The Exchange, Bank Street, Bury, BL9 0DN.



Crunch Investments and Pensions is a trading name of Flying Colours Finance Limited authorised and regulated by the Financial Conduct Authority under number 672022. We are registered in England and Wales under company number 09075635 at 2 Queen's Square, Ascot Business Park, Lyndhurst Road, Ascot, SL5 9FE.