



## IG SIPP (Modular iSIPP) Charges Schedule

### CHARGES APPLICABLE FROM 6 APRIL 2019

This document sets out James Hay Partnership's charges for setting up and administering an IG SIPP (Modular iSIPP), referred to in this charges schedule as Modular iSIPP. It also provides you with a guide to all day-to-day transaction costs applied by James Hay Partnership, and answers some frequently asked questions about our charges.

**There is a glossary and explanation of terms on page 8 to help you understand the terminology used. This is a legally binding document between you and James Hay Partnership and Section 1 of this Charges Schedule forms part of your Modular iSIPP Terms and Conditions. You should read this document carefully. If you do not understand any point, please contact your financial adviser. You should also read:**

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Key Features of the Modular iSIPP

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Modular iSIPP Permitted Investments List

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SIPP Terms and Conditions

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Modular iSIPP Application Form

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Modular iPlan Technical Guide

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Some of our charges are subject to Value Added Tax (VAT). Where VAT is stated, it will be charged at the prevailing rate.

If you use the services of a third party, such as a stockbroker or investment manager, additional charges may apply to your Modular iSIPP and VAT may be payable on services provided by these third parties.

For details on third party charges please refer to the Section 3.

## Section 1

### CHARGES

#### Core annual charges

Type of charge	When is the charge taken?	Amount
Annual administration charge	Annually in advance	£205

#### Module annual charges

Type of charge	When is the charge taken?	Amount
Whole of Market Module	Annually in advance	£105
Commercial Property Module	Annually in advance	£105 + VAT
Specialist Investments Module	Annually in advance	£368 + VAT

#### Investments

Type of charge	When is the charge taken?	Amount
Annual platform charge <sup>1</sup> First £300,000 On next £300,000 On next £400,000 On next £500,000 Over £1,500,000	Monthly in arrears	0.25% 0.20% 0.15% 0.05% 0.01%
Investment Centre transactions - buy, sell or switch	On completion of the transaction	Online: Nil Paper: £20 (per instruction)

<sup>1</sup> The charge is calculated around the first day of the month and is based on a percentage of the combined value of Cash Panel deposits and Investment Centre holdings (including Managed Portfolio Panel) across all products held in the Modular iPlan.

#### Whole of Market

Type of charge	When is the charge taken?	Amount
Setting up an off panel stockbroker/investment manager account	On completion of the transaction	£100
Off panel stockbroker/investment manager account annual charge	Annually in advance	£53 (per account)
External investments - buy, sell or switch (including setting up a regular investment/disinvestment)	On completion of the transaction	Online: £20 Paper: £50 (per investment provider)

## Commercial Property

Type of charge	When is the charge taken?	Amount
UK purchase/transfer in (with panel solicitor)	On completion of the transaction	£600 + VAT
UK purchase/transfer in (without panel solicitor)	On completion of the transaction	£800 + VAT
Purchase charge per additional member	On completion of the transaction	£100 + VAT
VAT initial registration	On completion of the transaction	£120 + VAT
Mortgage arrangement charge	On completion of the transaction	£250 + VAT
Annual property charge using CBRE (per lettable unit/property)	Annually in advance	£1,000 + VAT (first lettable unit/lease in each property) £579 + VAT (each additional lettable unit/lease in each property)
Additional member annual charge (for each additional member)	Annually in advance	£105 + VAT
Annual mortgage charge	Annually in advance	£158 + VAT
Annual VAT charge	Annually in advance	£105 + VAT
Sale or transfer out (with panel solicitor)	On completion of the transaction	£450 + VAT
Sale or transfer out (without panel solicitor)	On completion of the transaction	£650 + VAT
Buy-out (Buy-out with documentation changes)	On completion of the transaction	£450 + VAT (plus £150 + VAT)
Purchase/sale cancellation fee	On cancellation	£300 + VAT
Property development charge	On completion of the development	0.5% of cost of works + VAT (charge capped at £2,000 + VAT per development)
Pre-funding expenses charge	At the point funding is provided	£50 + VAT

## Specialist Investments <sup>2</sup>

Type of charge	When is the charge taken?	Amount
Non Mainstream Pooled Investments (NMPIs) including Qualified Investor Schemes	On completion of the transaction	£100 per trade
Unquoted shares	On completion of the transaction	£100 per trade
Lending to unconnected third party	On completion of the transaction	£100 per event
Any other specialist investment	On completion of the transaction	£100 per trade

<sup>2</sup> No new purchases of Specialist Investments are allowed. If your product is already invested in a Specialist Investment we will allow additional investment in these existing holdings (known as top ups). Therefore the above charges will apply to top ups and any sales.

## Benefits and payments/withdrawals

Type of charge	When is the charge taken?	Amount
Income drawdown set up (per payment of PCLS) <sup>3,4</sup>	On completion of transaction	£100 + VAT
Annual income drawdown charge (once benefits are crystallised as flexi-access or capped drawdown - even if nil income taken) <sup>4,5</sup>	Annually in advance	£129 + VAT
Review of income limits on capped drawdown <sup>4</sup>	On completion of the review	£150 + VAT
Uncrystallised funds pension lump sum payment	On completion of the transaction	£100 + VAT
Arranging annuity purchase	On completion of the transaction	£150

<sup>3</sup> This includes where we are setting up income following receipt of a transfer in drawdown where no further PCLS is payable.

<sup>4</sup> All benefit charges (except the uncrystallised funds pension lump sum payment charge) are subject to a maximum of £350 + VAT per annum based on the first tranche benefit year.

<sup>5</sup> If the plan is fully closed by taking a PCLS payment followed by an income drawdown payment, an annual income drawdown charge will still be payable prior to the plan being closed.

## Transfers out and closure

Type of charge	When is the charge taken?	Amount
Arranging transfer out	On completion of the transaction	£150
Arranging overseas transfer out	On completion of the transaction	£400
Account closure charge <sup>6</sup>	When flexi-access drawdown or uncrystallised funds pension lump sum payments first reduce the value of your SIPP below £1,000	£100
Administration charge (on any cash payments received after your Modular iSIPP is closed (for example, dividends)) <sup>7</sup>	On completion of the transaction	Equal to the value of the cash received up to a maximum of £50 per payment received

<sup>6</sup> This charge will not be applied where the full value of the fund is being used to purchase an annuity or is being transferred to another pension scheme.

<sup>7</sup> Any balance will be forwarded to you on completion of the transaction.

## OTHER IMPORTANT CHARGES

### Charges related to the death of a customer

We will not normally charge for processing in relation to the death of a customer. However, in exceptional circumstances we may charge on a time/cost basis. Please see the 'Additional work' section below.

### Additional work

The above charges indicate the standard investments and work involved in administering your Modular iSIPP. However, if we need to perform additional administration over and above that which is deemed reasonable, we will charge an hourly rate of £150 + VAT minimum, relevant to staff seniority and expertise.

### Regulatory/industry levies

In the event of a levy being imposed on us under the Financial Services Compensation Scheme or any other levy or taxation being imposed on us or your Modular iSIPP affecting our business, we may recover from your Modular iSIPP an amount equal to the proportion of such levy or taxation. In the event that we do this, we will give you 30 days' notice of the amount that is due from your Modular iSIPP.

### Increases to charges

If charges are payable annually, we reserve the right to increase these charges with effect from 6 April each year in line with the rise in the Average Weekly Earnings (AWE) Index (or any equivalent index in the event that the AWE Index ceases to exist) without giving prior notice to you. We will give you 30 days' notice if we amend or increase any annual charges by an amount exceeding the percentage increase in Average Weekly Earnings, or if we amend or increase any other charge.

## Section 2

### EXAMPLES

Below are examples of the typical charges we would take from the Modular iSIPP in different scenarios:

#### Example scenario 1

##### Getting started

A member has a pension fund with another provider which will be transferred as cash with a value of £150,000.

James Hay Partnership will facilitate the transfer, request pension discharge forms from the current provider and, once received, request the required transfer. James Hay Partnership will also set up the Modular iSIPP, perform the necessary checks and set up the SIPP Bank Account.

We confirm when the pension fund has been transferred. Once the transfer has arrived, the member can begin investing using IG Markets as their stockbroker.

What would the costs be for this?

##### Getting started

Annual administration charge (taken in advance)	£205
<b>TOTAL</b>	<b>£205</b>

##### Ongoing charges

Annual administration charge	£205
<b>TOTAL</b>	<b>£205</b>

#### Example scenario 2

##### Taking benefits through flexi-access drawdown

The member decides to start drawing regular benefits through flexi-access drawdown from their Modular iSIPP.

The member decides to take their maximum allowed Pension Commencement Lump Sum (PCLS) along with an income, paid monthly. This is known as income drawdown. The financial adviser disinvests to fund the PCLS and sets up a regular disinvestment to fund the income payments. If the member reduces their income to nil, the annual income drawdown charge will still apply.

What would the costs be for this?

##### Taking benefits

Income drawdown set up charge	£100 + VAT
<b>TOTAL</b>	<b>£100 + VAT</b>

##### New ongoing charges

Annual administration charge	£205
Annual income drawdown charge	£129 + VAT
<b>TOTAL (per annum)</b>	<b>£334 (excl. VAT)</b>

## Section 3

### FREQUENTLY ASKED QUESTIONS ABOUT CHARGES

#### Crystallisation and income drawdown

1. What do your charges for drawing an income cover?

We charge you an annual income drawdown charge which covers the administration of PAYE payroll, deduction of tax if required and making the appropriate returns to HM Revenue & Customs (HMRC). This charge also covers any work required to vary the level and frequency of income payments. The charge applies, even if at a later date you choose to take zero income.

2. What do your charges for taking an uncrystallised funds pension lump sum (UFPLS) cover?

We charge a one-off amount for each UFPLS that you take and this covers the payment of the tax-free element, deducting tax under PAYE on the balance and paying the net amount to you.

3. What happens if there is insufficient money in my SIPP Bank Account when you come to pay my income?

In the event that there is insufficient money to make an income payment when it is due, we will continue to try and make the payment up until the cut-off date for the next month. In the event that we are not able to make this payment by the cut-off date for the next month, the income payment will be cancelled from our systems. Payroll cut-off dates can be found on our website at [www.jameshay.co.uk](http://www.jameshay.co.uk).

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#### Investment related charges

4. What is the annual platform charge?

The annual platform charge is based on a percentage of the combined value of Cash Panel deposits and Investment Centre holdings across all products held in the Modular iPlan.

The charge is deducted proportionately from the SIPP Bank Account and, if applicable, your GIA and ISA Bank Accounts, on a monthly basis.

5. Do your charges include Investment Centre fund managers' charges?

No. If you invest in our Select and Collect fund ranges within the Investment Centre, including where funds are held in a model portfolio on the Managed Portfolio Panel, charges will be applied by the Investment Centre fund managers. Please refer to the Select and Collect funds literature at [www.jameshay.co.uk](http://www.jameshay.co.uk) for further details.

Some Investment Centre fund managers rebate back to us a proportion of the charge they take from you. Any such rebates will be used to purchase additional units/shares or in certain circumstances as permitted by regulation, may be allocated in cash to your SIPP Bank Account.

6. Do your charges include the stockbroker's or investment manager's charges?

No. If you choose to use the services of a stockbroker or investment manager, they will apply charges for trading in stocks, shares and other investments and for holding cash on your behalf. Please refer to the stockbroker's or investment manager's literature for further details. If the stockbroker or investment manager holds cash on behalf of your Modular iSIPP, charges will be taken out of this cash, or charges will be settled from the cash held in your SIPP Bank Account.

The level and reasonableness of the stockbroker or investment manager charges is a matter for you to determine with your financial adviser.

7. Do your charges include the Investment Managers' charges for investments held via the Managed Portfolio Panel?

No. If you choose to invest via the Managed Portfolio Panel, the investment manager will apply charges based on the value of the funds held in the individual portfolio. The charges will vary depending on the investment manager and the model portfolio that you choose to invest in.

The level and reasonableness of the charges of a model portfolio on the Managed Portfolio Panel is a matter for you to determine with your financial adviser.

## 8. How do you charge for additional modules?

The first year's module annual charges will be based on the type of investments you have selected in the application form. Each module annual charge thereafter will be based on the types of investments held shortly before the anniversary of your Modular iSIPP each year.

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## General

### 9. How do your charges get paid?

We automatically deduct charges from your SIPP Bank Account, unless there is insufficient cash available. We do not send you invoices when charges become due. It is your responsibility to ensure that there is sufficient cash available in your SIPP Bank Account to cover adviser and product charges. If any charge is due and there is insufficient cash available, at our discretion, we will sell investments within your Modular iSIPP to pay charges without further notice to you.

You can choose to pay our charges personally, rather than having them deducted from your SIPP Bank Account. We will decide the terms and methods of payment of any charges to be paid in this way. If you do not pay the charges due, you or your estate will be personally liable for the payment of the charges due.

We reserve the right to charge interest on late payment at 8% over base rate as determined by the Bank of England.

For further information, please refer to Section 15 of the SIPP Terms and Conditions.

### 10. What rate of interest is paid on my SIPP Bank Account and do you retain an element of this?

Your SIPP Bank Account is provided for the receipt and payment of money for your Modular iSIPP (for example, receiving your contributions into your Modular iSIPP, the payment of benefits out of your Modular iSIPP and the

purchase or sale of investments held within your Modular iSIPP). The account is designed for holding cash for short periods of time while your investments are being made, or your benefits are being paid, rather than for holding cash over the long term.

The rate of interest we pay will change from time to time. The current interest rate you are receiving can be found on our website at [www.jameshay.co.uk](http://www.jameshay.co.uk). Banks pay us extra interest because of the total amount of money we hold with them. We will retain this extra interest as it helps us to keep down the other charges on your Modular iSIPP.

### 11. What interest do I earn on my fixed term deposits with providers on your Cash Panel?

Indicative rates of interest for any term deposits that you place with a provider on our Cash Panel are shown on our website at [www.jameshay.co.uk](http://www.jameshay.co.uk) but the actual rate you receive will be the rate offered by the bank at the time they receive your application.

### 12. What annual administration charge will I pay?

You will pay the core annual administration charge of £205 if you only use the Core Modular iSIPP. You will pay an additional annual charge of between £105 and £368 + VAT per module depending on which, if any, additional modules you select to use.

## Glossary and explanation of terms

<b>Capped Drawdown</b>	A form of income drawdown where there is a maximum annual income limit calculated.
<b>Crystallisation</b>	The act of starting to take benefits (tax free lump sum and/or income) from your Modular iSIPP.
<b>Flexi-access Drawdown</b>	A form of income drawdown available from 6 April 2015 where there is no limit on the amount of income you can take each year.
<b>Income Drawdown</b>	Crystallising benefits in order to draw a tax free lump sum and/or income. This covers both capped drawdown and flexi-access drawdown.
<b>In-specie</b>	The transfer of an asset other than cash from another pension scheme to your Modular iSIPP e.g. shares or holdings in investment funds.
<b>Managed Portfolio Panel</b>	A panel of investment managers who create defined collections of funds to achieve a predetermined investment strategy and reflect a certain risk profile. Portfolios with varying risk profiles are available, all of which are made up of funds in our Investment Centre fund range.
<b>Pension Commencement Lump Sum (PCLS)</b>	A tax free lump sum paid on commencement of income drawdown. It is usually 25% of the value of the benefit crystallisation event.
<b>Tranche</b>	A pot of income drawdown benefits.
<b>Transfer in</b>	Transferring the value of pension rights from an existing pension scheme to your Modular iSIPP either in cash or in-specie.
<b>Uncrystallised Funds Pension Lump Sum (UFPLS)</b>	A lump sum made of a tax-free element (25%) and a taxable element (75%) that you can take from your pension fund provided you have not already crystallised those funds through income drawdown.

If you have any questions regarding the content of this document or if you require any of the documents shown on page 1, please visit [www.jameshay.co.uk](http://www.jameshay.co.uk) or call us on 03455 212414.

We are able to provide literature in alternative formats. For a Braille, large print or audio version of this document call us on 03455 212 414 (or via the Tynetalk service on 18001 03455 212 414).

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