

KEY FEATURES

keyfacts[®]

The Financial Conduct Authority is a financial services regulator. It requires us, Westerby Trustee Services Limited, to give you this important information to help you to decide whether our Westerby Private Pension 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.

If you are unsure as to the suitability of a SIPP or your options in relation to taking benefits, we recommend that you seek advice from a Financial Adviser who is authorised by the Financial Conduct Authority.

► ITS AIMS

- To build up a pension fund for retirement in a tax efficient and flexible way.
- To enable you to invest in a wide range of assets.
- To give you the options to take a tax-free lump sum from your pension and allow you to draw an income directly from the investments held by your pension scheme rather than buying an annuity.
- To provide benefits for your spouse, civil partner, dependants or nominated beneficiaries in the event of your death.

► YOUR COMMITMENT

- You must make at least one single contribution or transfer of an existing pension scheme into your plan.
- There is no commitment on your part to continue making contributions and there is no penalty for ceasing or reducing contributions.
- You must take responsibility for your investment decisions and where necessary, seek professional advice.
- You must wait until the age of 55 before taking benefits from this plan (unless you have a protected retirement age lower than age 55 or are in serious ill health).
- You must inform us of any changes in circumstances that may affect your SIPP or your eligibility to contribute to this plan or to receive tax relief.
- You must respond promptly to our requests for information, for example when paying contributions, making investments, dealing with property matters or taking /reviewing benefits.

► RISK FACTORS

The risks below are not exhaustive and are based on our understanding of current legislation which may be subject to change.

► INITIAL RISK FACTORS – TRANSFERS IN

- On transferring out of any previous pension schemes into this plan you could lose your entitlement to any guarantees or bonuses you may have received.
- There may be a penalty for transferring out of an existing pension scheme.
- If you are entitled to draw benefits before age 55, or are entitled to a pension commencement lump sum in excess of 25% of fund value, you may lose these entitlements on transfer into this plan.
- You should seek professional advice from your financial adviser before considering transferring any existing pension schemes into this plan.

► INVESTMENT RISKS

- The value of your investments can go down as well as up and is not guaranteed.
- Past performance is not an indication of future performance.
- The value of your plan, including on retirement and within the cancellation period, may be lower than the amount invested.
- The investments selected will have different levels of risk. Your financial adviser will be able to advise you on the risks involved with particular investments.
- Certain investments, e.g. property, may take longer to sell than others.

► RISK FACTORS – TAKING BENEFITS

- What you get back at retirement is not guaranteed
- The value of your SIPP and your pension benefits may be lower than shown on your illustration if:
 - the contributions or transfer values received are lower
 - the investment performance is lower than expected
 - the cost of converting your pension fund into an income is higher
 - you take higher withdrawals than expected from outset
 - you draw your pension benefits at an earlier age
 - you decide to buy an annuity
 - the charges are higher
 - tax rules change
- If you choose to draw a high level of income or draw the whole fund in a single payment then your pension fund will not provide you with an income for life.

► OTHER RISKS

- Future legislative changes could affect the tax treatment of pension schemes.
- Future legislative changes could affect the levels of contribution payable, the benefits available and the types of investments allowed.
- Transfer out risk - there is a charge for transferring out and there may also be cancellation penalties on any underlying investments.
- If there is insufficient cash within your SIPP to meet any charges relating to your SIPP, you will be personally responsible for them.

► YOUR QUESTIONS ANSWERED

What is the Westerby Private Pension?

- The Westerby Private Pension is a Self Invested Personal Pension (SIPP) administered by Westerby Trustee Services Limited.
- The Westerby Private Pension is registered with Her Majesty's Revenue and Customs (HMRC) as a tax exempt pension scheme.
- You will be appointed as joint trustee of your SIPP alongside WPA Trustees Ltd, a company set up by Westerby to act as the Scheme Trustee of the Westerby Private Pension. As trustee you will be joint signatory to all of your SIPP transactions.

What is a Self Invested Personal Pension (SIPP)?

- A SIPP is a personal pension that allows you to build up a pension fund for retirement in a tax efficient way.
- A SIPP allows you to make your own investment decisions.
- A SIPP allows you to invest in a wide range of assets such as commercial property, stocks and shares, Unit Trusts, OEICs and insurance company managed funds.
- Investments within your SIPP will be held in the name of the trustees and you will be co-signatory to all transactions giving you control over your pension fund.
- A SIPP allows you to draw your pension benefits directly from the investments held. There is no requirement to purchase an annuity.

Is the Westerby Private Pension a Stakeholder Pension Plan?

- The Westerby Private Pension is not a stakeholder plan as it does not meet the criteria that the government has set for stakeholder pensions.
- A stakeholder pension may meet your needs at least as well as this plan. Your Financial Adviser will be able to advise which contract is better for your needs.



Can I Have a Westerby Private Pension?

- Provided that you are a UK citizen and resident in the UK then you can have a Westerby Private Pension.
- Residents / citizens of other countries may be eligible to take out a Westerby Private Pension, however it will depend on individual circumstances.

Who can contribute to a SIPP?

- You can make personal contributions.
- Your employer can contribute for you.
- A third party can make contributions on your behalf.
- You can contribute into your SIPP even though you may be an active member of an employer's pension scheme or are contributing into other pension plans.
- You can also transfer in payments held with other pension providers at any stage whether contributions are being paid into the plan or not.

How much can I contribute to my SIPP?

For each tax year you can contribute as little or as much as you want however if the total contributions made in any tax year, to all schemes of which you are a member, exceed your **annual allowance** the excess will be subject to the **annual allowance tax charge**.

- Your **annual allowance** will be one of the following, depending on your circumstances:
 1. The standard annual allowance of £40,000 per annum
 2. A reduced annual allowance under the tapered annual allowance rules applicable to individuals with total adjusted income in excess of £240,000. Your Annual allowance is reduced by £1 for every £2 by which the adjusted income exceeds £240,000 with a maximum reduction in the annual allowance of £36,000. The rules are complex and we strongly advise taking advice if you think this might apply to you.
 3. If you have already accessed any pension benefits from any pension scheme under flexible access rules a reduced **money purchase annual allowance** of £4,000 per annum.
- If you are entitled to the standard annual allowance or tapered annual allowance you may be able to carry forward any unused annual allowance from the previous three tax years.
- Once your SIPP is established you or a third party can pay in future single contributions, as well as increase or decrease your regular contributions at any time with no penalty for altering the levels.

Will my contributions receive any tax relief?

- You are only entitled to tax relief if you are under age 75 and a **relevant UK individual**. You are a **relevant UK individual** if any of the following apply:
 - o you have relevant UK earnings chargeable to Income Tax, or general earnings from overseas Crown employment subject to UK tax, in this tax year.
 - o you are or have been a resident in the UK at some time during this tax year.
 - o you were resident in the UK both at some time during the five tax years immediately before this tax year and when you became a member of the pension scheme.
 - o your spouse has for this tax year general earnings from overseas Crown employment subject to UK tax.
 - o you or your spouse are in overseas Crown employment but for this tax year do not have general earnings from overseas Crown employment subject to UK Tax.
- Your SIPP will benefit from basic rate tax relief on any relievable contributions made by you or another individual on your behalf up to the higher of:
 - o 100% of your UK earnings subject to a maximum of the your **annual allowance (plus carry forward if applicable)**: Or
 - o £3,600 (basic amount)



- o If you exceed your annual allowance, you may be able to carry forward unused annual allowance from the previous three tax years. If your contribution still exceeds your annual allowance after making use of carry forward, you will have to pay a tax charge on the excess based on the marginal rate of tax relief due on the contribution.
 - For relievable contributions we will reclaim basic rate tax relief from HMRC and credit it to your SIPP. For example, if basic rate income tax is 20% and you make a contribution of £80, we will reclaim tax relief of £20 and add it to your fund. In this example this means that for every £80 you pay, £100 goes into your plan. Under normal circumstances, we would expect to receive the tax relief from HMRC within 8 weeks.
 - If you are a higher rate tax payer you may be eligible to claim additional tax relief on any personal contributions. This can be claimed by completing the relevant sections on your HMRC self-assessment form. You should consult your financial adviser or tax adviser if you require further information on this matter.
 - Employer contributions are paid gross and your employer may receive tax relief on any contributions it pays.
- If you are in any doubt as to the rules regarding contributions and tax relief please consult your financial adviser.

How do I pay contributions?

- Single contributions (those not paid on a regular basis) can be paid by cheque, or electronic bank transfer.
- Regular contributions are paid by standing order.

▶ INVESTMENTS

Where can my SIPP be invested?

- The Westerby Private Pension allows you, your financial adviser or fund manager to choose from a wide range of investments such as:
 - o Quoted shares, other securities, derivatives and fixed interest stock traded on a recognised stock exchange
 - o Shares in unquoted "private" limited companies (at the discretion of Westerby Trustee Services Limited)
 - o Commercial Property and land both in the UK and overseas
 - o Residential Property collective investments
 - o Investment Trusts, Unit Trusts and OEICs
 - o Insured company managed funds
 - o Commercial loans to unconnected parties
 - o Cash deposits in any major currency
- We will consider all investments permitted by HMRC. Where we have not previously approved an investment we will carry out due diligence to ensure that it will not be subject to tax charges.
- Certain assets such as private company shares or third party loans, are classed as 'non-standard assets' and will incur additional costs. Further details about which assets are 'non-standard' and the costs involved are contained in our schedule of SIPP fees.
- If you apply for a Westerby Private Pension - SOLO SIPP you will need to restrict your investments to a single standard asset. You will however benefit from the lower charges applicable to the SOLO SIPP.
- You can upgrade to a full SIPP and access the full range of investments at any time.
- We cannot provide any advice on the suitability of investments for a given individual. We would advise you to seek financial advice from advisers who are authorised and regulated by the Financial Conduct Authority before making any investment decisions.
- We accept no responsibility for the performance of your chosen investment(s).
- We carry out due diligence in respect of proposed investments in accordance with Financial Conduct Authority guidance. We reserve the right to refuse proposed investments where we are not able to satisfy ourselves that the investment is appropriate as an asset of a SIPP.
- We reserve the right to restrict investments in assets that the Financial Conduct Authority would deem to be "non-standard" to investors who meet the criteria of High Net Worth individuals or Sophisticated Investors.



- The SIPP allows you to enter into investment transactions with connected parties provided these transactions are carried out on an arm's length basis. For example, the SIPP can buy, sell or lease property from you, your business or a family member as long as the transaction takes place at the open market value.
- Trustees can borrow funds from commercial lenders, subject to their agreement to the terms, for the purchase of assets or any other purpose.
- Borrowing is limited to 50% of the net asset value of the SIPP which includes any existing borrowing.
- It is possible for a number of SIPP holders to join together and collectively purchase a property. However, we will not agree this arrangement with any other third parties unless they are members of the Westerby Private Pension.
- Any un-invested cash will be held in an interest bearing bank account.
- You can change your investments at any time.

Are there any restrictions on what I can invest in?

There are certain investments which are not permitted under HM Revenue & Customs rules to be held in your SIPP and these include:-

- Residential Property;
- Residential Ground Rents;
- Any tangible moveable property (i.e. things that can be touched or moved, which also includes assets such as antiques, arts, classics cars, fine wine, jewellery);
- Unquoted shares in a company connected with the pension scheme member or members;
- Loans to connected parties.

If you apply for a Westerby Private Pension - SOLO SIPP you must restrict your investments to a single standard asset.

What about tax on my investments?

- Due to the tax exempt status of the Westerby Private Pension, most investments will be free of UK income and capital gains tax.
- Investments that are not permitted under HM Revenue & Customs rules will be treated as "unauthorised payments" and will be subject to significant tax charges.
- Westerby Trustee Services Limited reserves the right to reject any investments that, in its sole opinion, may lead to tax charges.

► RETIREMENT BENEFITS

What might I get back when I request to draw my benefits?

- The amount of benefits available will depend on the size of your fund at the time of drawing benefits.

When can I take my benefits?

- Benefits can commence at any time from age 55.
- You cannot cash your plan in early, however, it may be possible to commence benefits earlier than age 55 if you are in serious ill health or have a protected retirement age as a result of your current, or a previous, occupation.
- You do not have to cease working to draw benefits.

What options will I have when I start taking benefits?

- Part of the fund may be taken as a **tax free** lump sum known as a **Pension Commencement Lump Sum**. This is usually 25% of the fund value, however this may vary depending on circumstances.
- You can purchase a **lifetime annuity** (pension) from the value of your SIPP by passing it to an insurance company of your choice who will in return pay you a guaranteed income throughout your lifetime.



- You can draw a pension income directly from your SIPP investments under a **flexi-access drawdown** arrangement. The income is limited only by the cash available in your SIPP and could therefore be the whole of your pension fund in a single payment, ad-hoc payments as required or you can opt to draw a regular payment. Regular payments can be made to you monthly, quarterly, bi-annually or annually.
- You can draw lump sums out of your fund as an **uncrystallised funds pension lump sum**. This could be the whole of your pension fund in a single payment, or a portion of your uncrystallised fund. If you select this option you will receive a single lump sum payment but will not be entitled to any ongoing income.
- You can draw your benefits as a combination of pension commencement lump sum, annuity, flexi-access drawdown and uncrystallised funds pension lump sum. You do not have to draw all of your benefits in one go. You can draw on part of the fund leaving the rest for a future date. This is known as phased retirement.
- If you already have a **capped drawdown** arrangement in an existing pension plan then you may be able to continue with this. The amount of income you can draw under a capped drawdown arrangement is subject to a maximum limit set by the government.
- The rate of income from an annuity or drawdown pension will depend on a number of factors including fund performance, your age, the options you choose and underlying investment yields.
- All payments of income from the Westerby Private Pension are made on the 6th of each month or the next working day if the 6th is a weekend or public holiday. Payments may, at our discretion, be made on other days however we will charge an additional fee for processing such payments.

Will I pay any tax on my pension benefits?

- In most circumstances your pension commencement lump sum is free from any tax charges.
- All pension income payments made to you under **flexi-access drawdown** or **capped drawdown** will be treated as earned income and is subject to income tax at your marginal rate.
- If you choose an **uncrystallised funds pension lump sum** 25% of the payment will be free from tax with the balance subject to income tax at your marginal rate.
- Any tax payable on pension payments will be deducted by us before the payment is made to you.
- If a lifetime annuity has been purchased through an insurance company, it will be their responsibility to collect the tax and pay out any pension due to you.
- There is a ceiling on the total amount of funds that you can build up in all Registered Pension Schemes. This is called the **lifetime allowance**.
- Unless you have protection from the **lifetime allowance** any benefits drawn from funds in excess of the **lifetime allowance** are subject to a tax charge of 55% if taken as a lump sum, or 25% if taken as an income. This tax charge is known as the "**lifetime allowance tax charge**".
- The **standard lifetime allowance** is set by the government and is currently set at £1,073,100. If the total of all your pension funds exceeds this, there is the possibility of tax charges on the excess depending on whether you are taking benefits or in the event of your death before taking benefits.

► CHARGES

What are the charges?

- Westerby Trustee Services Limited charges an initial fee for setting up your plan and an annual fee for administering your plan and investments.
- The fee is a fixed amount and is not linked to a percentage of the amount of your fund. The annual fee is payable annually in advance.
- You may also incur specific event or investment related fees such as the additional charges for investing in non-standard assets or for the payment of pension benefits.
- If your investments are restricted to those permitted under a Westerby Private Pension - SOLO SIPP you will benefit from the lower charges applicable to that product.
- Fees are reviewed annually on 1st July each year. We may also increase our fees at other times if the cost of managing your plan increases in the future due to changes in taxation, regulation or changes in law. We will inform you if this happens.



- Our fees are set out in our schedule of SIPP fees which you should read carefully. Additional fees for “non-standard” work will be charged on a time cost basis.
- As well as the above fees the nominated SIPP bank may make payments to Westerby Trustee Services Limited. Where the nominated bank is Metro Bank the payments will be subject to a minimum of 0.65% per annum (or such lower amount as Metro Bank might make available) of any cash deposits held in your account. The percentage paid to Westerby will be detailed in your annual SIPP valuation report.
- Any additional costs incurred, for example legal fees in relation to a property purchase, must be paid separately to our fees but can be paid from your SIPP bank account.
- Your financial adviser will give you details about the costs and they may also charge you for any advice given.
- Our fees and any other charges/expenses arising in respect of your plan will be met from the nominated bank account. If there is insufficient cash in the bank account, you may need to make a contribution to your plan or instruct us which assets to sell to meet the charges, or you can pay the fees personally.

► DEATH BENEFITS

- Your plan is automatically written under Trust. Upon your death, the distribution of the death benefits will be decided by the plan Trustees. We therefore request that you complete an ‘Expression of Wishes’ form to nominate who you would like to be considered as beneficiaries so that your wishes can be taken into account.
- In the event of your death any remaining fund can be used to provide benefits to your nominated beneficiaries.
- As well as your spouse or civil partner, children or grandchildren you may nominate other beneficiaries which could include close friends or charitable organisations.
- The beneficiaries can choose whether to take a lump sum payment or draw an income. Payment of income can be deferred to a later date.

Is there any tax payable on death benefits?

- The payment of death benefits is subject to tax as summarised in the following table:

	Death before age 75	Death on or after age 75
Tax payable	<p>All lump sum and income payments are tax free up to the lifetime allowance, as long as the lump sum is paid to your beneficiaries (or they instruct us to designate the fund to a beneficiary’s drawdown arrangement) within two years of us being notified of your death.</p> <p>If the lump sum is paid, or benefits are designated to a drawdown arrangement, more than two years following our notification of your death, the payments will be subject to income tax at the recipient’s marginal rate.</p>	<p>Payments of lump sum and income are subject to income tax at the recipient’s marginal rate.</p> <p>Payments of a lump sum to a trust are subject to tax at 45%</p>

- If you die before taking your benefits, there is normally no inheritance tax payable on the value of your plan.
- If the nominated beneficiary is a registered charity then, in most circumstances, no tax charges will apply.

What happens if my fund on death exceeds the lifetime allowance?

- If your remaining uncrystallised fund exceeds your available lifetime allowance at the date of payment of the lump sum (or designation to a drawdown arrangement), a **lifetime allowance tax charge** will apply to the excess.

What happens if I die after purchasing a Lifetime Annuity?

- In this instance, any benefits payable will be determined by the terms of the annuity contract.



► FURTHER INFORMATION

How will I know how my plan is doing?

- We will provide you with an annual statement showing you details of any payments made into your plan, your investments, fund withdrawals and the current value of your plan. We will also provide you with an updated projection of your benefits.

Interim fund valuations are available on request, however, we will make a charge for providing such valuations.

Cancellation - Can I change my mind?

- You are provided with a cancellation notice once your policy starts and you have up to 30 days in which to change your mind about having a Westerby Private Pension. During this period, your funds will be held within the SIPP bank account unless you have specifically elected to waive your cancellation rights.
- If you cancel your policy within this 30-day period you will receive a full refund of any contributions paid. However, if you have made an investment within the first 30 days, you will receive back the value of the underlying investment which may be more or less than the amount that you invested.
- It may be possible to return any funds received in relation to a transfer of existing pension benefits into the Westerby Private Pension during the cancellation period, however the onus is on you to speak to the transferring company to accept the money back.
- Cancellation rights also apply to any future additional transfers made into the Westerby Private Pension.
- If you opt in future to take an income from your Westerby Private Pension, you will receive a separate cancellation notice giving you a 30-day period in which to cancel the chosen option.

► TRANSFERRING OUT

- You can, at any time, transfer out of the Westerby Private Pension to another registered pension scheme in the UK or to a Qualifying Recognised Overseas Pension Scheme (QROPS).
- If you transfer out there will be a transfer out fee due to Westerby Trustee Services Limited. There may also be penalties on any investments that are surrendered as part of the transfer process.

Transfer to a QROPS will trigger a test against the lifetime allowance. If the fund to be transferred exceeds the lifetime allowance then a tax charge will be payable unless you have protection from the lifetime allowance.

► ABOUT WESTERBY TRUSTEE SERVICES LIMITED

- Westerby Trustee Services Limited is authorised and regulated by the Financial Conduct Authority (FCA).
- Our FCA registration number is 463533.
- We are the Scheme Administrator of your SIPP.

Can Westerby Trustee Services Limited provide me with advice?

- We are not authorised to give you financial advice.
- Due to the large number of options available under the Westerby Private Pension, it is important that you seek financial advice before taking out this plan and also during the lifetime of this plan. We are happy to provide your adviser with whatever information they may require.
- We cannot provide you with investment advice other than to confirm whether the intended investment is in accordance with HMRC regulations.



How Safe is my Money?

- Westerby Trustee Services Limited has strict internal procedures to protect your pension fund. In addition you are appointed as co-trustee of your pension fund and are a compulsory signatory to all transactions.
- Westerby Trustee Services Limited is covered by the Financial Services Compensation Scheme (FSCS). In the event that we are unable to meet our obligations to you then you may be eligible to make a claim.
- Certain investments made by your SIPP may also be covered by the FSCS. Investments covered by the FSCS include:
 - Cash deposits with authorised deposit takers.
 - Authorised Unit Trusts and OEICs
 - Discretionary Fund Managers
 - Policies issued by an insurance company
- The level of cover provided by the FSCS varies depending on the type of investment. Details can be found at: www.fscs.org.uk.
- Investments such as commercial property, unlisted private company shares and Unregulated Collective Investment Schemes (UCIS) and Non Mainstream Pooled Investments (NMPI) are NOT covered by the FSCS.

► HOW TO CONTACT US

If you have any queries or require any further information you can write, phone or fax to:-

Westerby Trustee Services Limited, The Crescent, King Street, Leicester, LE1 6RX

Tel: 0116 326 0183 (Monday to Friday 9:00am to 17:15pm)

Fax: 0116 253 9730

► HOW TO COMPLAIN

If you are not satisfied with the service provided to you and you wish to complain, please contact our Head of Compliance at the address below. Your complaint will be acknowledged and dealt with in accordance with our Complaints Procedure, a copy of which will be sent to you.

If the matter is not dealt with by us to your satisfaction you may refer this to the Pensions Ombudsman or the Financial Ombudsman Service as shown below.

The Pensions Ombudsman

11 Belgrave Road

London SW1V 1RB

Tel: 020 7630 2200

Web: www.pensions-ombudsman.org.uk

Email: enquiries@pensions-ombudsman.org.uk

The Financial Ombudsman Service (FOS)

Exchange Tower

London

E14 9SR

Tel: 0300 1239123

Web: www.financial-ombudsman.org.uk

Email: complaint.info@financial-ombudsman.org.uk

WTSL/SIPP/KFD/IJ/MAY2022

