

Services and Fees for a PSG Open SIPP April 2016

In this document, you'll find information on our Open Self Invested Personal Pension (SIPP) services and the fees we charge for them. It gives you an overview of what we do and how we charge but we are always happy to provide more detail if you want it.

If you would like to discuss anything, please feel free to call us on 01249 280020; we're here to help.

We are not authorised to give advice under the Financial Services and Markets Act 2000, or any other kind of taxation or professional advice. You should consult your adviser as we will only comment on SIPP Rules and HMRC practice.

PSG SIPP Limited Ethical pricing policy

PSG SIPP Limited is proud to operate an ethical pricing policy which ensures there are no hidden charges.

On occasion, we may refer to a fee as 'time cost'. This is not a smoke screen to allow us to charge as we see fit, it is only ever used when dealing with a task that we know from extensive experience is hard to price. In those rare situations, not only will we discuss and advise the likely fee before starting the work, we will provide evidence of the time spent used to calculate the final fee. We believe this to be the fairest and most honest way of addressing such issues.

Whilst we will almost always stick to the fees stated in this document, certain transactions such as property and loans can be complex, and so we believe it's fairer to notify you that all our fees are minimum fees. Any additional fee will be charged in line with our time cost policy.

Where the fees are being paid in a currency outside the jurisdiction an addition bank charge may apply. This will be charged from the scheme bank account.

Please note that all fees outlined in this schedule, including Establishment, Annual and Transaction fees are payable in advance.

SIPP establishment fees

new SIPP

The fees applicable to all tasks and the adoption of all responsibilities that go with setting up a SIPP for you from scratch. This includes, but is not limited to:

- appointment of PSG SIPP Limited (PSGS) as Scheme Administrator;
- appointment of PSGS Trustee Services Limited (PSGSTS) as Professional Asset Trustee;
- drafting the Trust Deed and Rules;
- registering the SIPP with HM Revenue and Customs (HMRC);
- establishing SIPP records;
- up to two cash transfers in (subsequent transfers will be charged per transfer – see under additional SIPP services on page 4).

£810+

0.23% of fund value at establishment (pension contributions and transfers in)

annual SIPP fees

The fees applicable to the administration and responsibilities that we will carry out and adopt annually for your scheme. This includes, but is not limited to:

administration

- responsibility as Scheme Administrator;
- responsibility as Professional Asset Trustee;
- general administration of the SIPP;
- preparing and filing the Registered Pension Scheme Return;
- preparing and filing the annual Pensions Regulator Return;
- preparing and filing the Registered Pension Scheme Event Report;
- preparing and filing the Accounting for Tax form.

£1,075 +

£158 per Member +
0.23% of investment fund growth

Pensions Regulator fee

This fee is charged by the Pensions Regulator annually, where there is more than 1 member of the scheme.

£12

Information Commissioner's Office fee

This fee is charged by the Information Commissioner's Office annually.

£35

valuation and fund share

- completion of an Annual Valuation for each member of the scheme;
- preparing a fund share calculation (where there are 2 or more members of the scheme).

£232 for a 2 member scheme +
£56 for each additional member

additional SIPP services

subsequent cash transfers in

- if you are transferring more than two other pension arrangements at the point we set your scheme up, or if you decide to transfer in further funds at a later date. We allow up to 6 weeks of our time for dealing with each pension transfer after which time we reserve the right to charge on a time cost basis for the additional time we are incurring. This decision will be taken in strict consultation with you.

£81 per transfer

+0.23% of the contribution received.

cash contributions to the SIPP

- receipt of cash contributions.

0.23% of the contribution received.

subsequent admission of new members

- drafting the Deed of Appointment for the new Member;
- obtaining details of the new Members' existing pension provision;
- reporting the admission of the new Member to HMRC and the Pensions Regulator.

£521 per new Member

Tax Relief at Source

- registering the SIPP with HMRC for Relief at Source so that tax relief can be claimed on personal pension contributions;
- ongoing annual administration of Relief at Source and tax relief on personal pension contributions.

£454 set up

£284 per annum from year 2 onwards

Benefit Crystallisation Event (BCE), through either Flexi-Access Drawdown or Uncrystallised Funds Pension Lump Sum (UFPLS)

- agreeing and authorising the payment of benefits prior to each BCE;
- preparing a Drawdown quote.

£232 per Member per BCE

payment of pensions under Pay As You Earn (PAYE)

- registering the SIPP with HMRC for PAYE and setting up pensioner records;
- pension payment through PAYE and submission of tax year end forms to HMRC.

£116 set up per Member

£355 for monthly pension per Member
£246 for quarterly pension per Member
£148 for annual or ad-hoc pension per Member

Capped Drawdown review

- Capped Pension Drawdown review (every 3 years and every year after age 75).

£146 per Member

additional SIPP services (continued)

Life Time Allowance (LTA) test at Age 75

- completion of a LTA test at age 75.

In order to complete this we will need to carry out a fund valuation and fund share calculation which will be charged in addition to this fee. See page 2.

£146 per Member

specialist services and reporting

The following fees are all charged on a time cost basis. We will provide you with evidence of the time spent, and will keep this to a minimum. It may be necessary get third parties involved e.g. an Actuary, depending on the complexity of the work. In this event the fees payable to the relevant third party will be met separately from the SIPP funds.

- divorce calculations;
- ad-hoc fund valuation;
- fund reallocation;
- death benefit calculation and re-designate funds to the beneficiary(s);
- drafting documentation to facilitate and maintain Registered Pension Scheme status;
- attendance at Annual Trustee meetings including the preparation of the agenda and meeting minutes;
- provision of information requested by third parties or by the Trustees, sponsoring employer or SIPP members;
- preparing and filing the Registered Pension Scheme Event Report where an unauthorised payment has been made.

PSGS will provide a quote on request for the cost of additional services that PSGS may be able to provide whether on a fixed fee or a time cost basis, depending on the nature and complexity of the work and the seniority of the personnel required to undertake it.

time cost

property fees

If you are buying a property or selling one, this section breaks down the various fees relevant to these transactions. Each property will require an environmental screening report which will be carried out on behalf of the trustees by Groundsure Limited. Groundsure Ltd will then invoice the Trustees separately.

property purchase

work including but not limited to:

- working with, third parties such as Solicitors, Investment Advisers and Accountants to facilitate the purchase of a property;
- agreeing one lease as part of the acquisition (if required);
- liaison with Surveyors and Environmental/Asbestos Specialists;
- regulatory guidance to ensure compliance with the SIPP Rules and HMRC requirements;
- facilitating property insurance.

£893

property acquisition

- an in specie contribution of a property;
- an in specie transfer of a property.

£893

overseas property transactions

- working with, third parties such as Solicitors, Investment Advisers and Accountants to facilitate the purchase or sale of a property;
- agreeing a lease as part of the acquisition (if required);
- liaison with Surveyors and Environmental/Asbestos Specialists;
- regulatory guidance to ensure compliance with the SIPP Rules and HMRC requirements;
- the Trustees will need specialist legal advice confirming that:
 - local laws permit the property to be acquired by a Trust;
 - all Trustees, including the Professional Asset Trustee can be registered as legal owners of the property.

All documents and communications must be translated into English by a suitably qualified person.

£2,335

property sale (UK)

- working with, third parties such as Solicitors, Investment Advisers and Accountants to facilitate the sale of a property.

£406

property development

- agreeing the proposed development project and reviewing cost projections and plans;
- monitoring expenditure against contracts and making payments;
- regulatory guidance to ensure compliance with HMRC requirements.

£585 or 1% of the development value, whichever is higher.

property investment and rental income monitoring

- tracking lease expiry;
- property insurance renewal;
- regular monitoring of property income;
- producing rent invoices;
- monitoring rent reviews.

£54 per property per annum

+ £232 per lease per annum

borrowing & VAT transaction fees

If you are borrowing from a third party or the scheme has any VAT requirements as a result of a property purchase, this section breaks down the various fees relevant to these transactions

borrowing

- checking HMRC borrowing limits;
- agreeing and authorising appropriate borrowing documentation and ensuring compliance with HMRC requirements;
- liaising with the lender and the Solicitor;
- PSGS is happy to attend a meeting with the bank to facilitate the borrowing, but this will be charged at time cost.

We do not offer a loan arrangement service.

as part of a property purchase:
£348 per transaction

not as part of a property purchase:
£579 per transaction

+£309 if we cannot use Lloyds or Cambridge & Counties Bank

borrowing monitoring

- regular monitoring of borrowing.

£174 per annum per borrowing

+£174 if we cannot use Lloyds or Cambridge & Counties Bank

leases (when not part of a property purchase)

- liaison with Solicitors and Surveyors;
- agreeing the lease;
- regulatory guidance to ensure compliance with the SIPP Rules and HMRC requirements.

£290 per lease

VAT

- application to HMRC to register the SIPP for VAT;
- election to Waive Exemption;
- completion and submission of quarterly returns to HMRC.

If it is necessary to appoint an external party to assist in the VAT registration, these third party fees will be charged in addition to PSGS fees.

£464 per registration
£232 per property
£232 per annum

other investments possible in a SIPP

There are of course lots of other assets that a SIPP can invest in so whilst again not exhaustive, here is a breakdown of some of the more common ones and an overview of some of the work we do for our fee

loans made to an unconnected third party

- checking HMRC maximum loan limits;
- agreeing and authorising the loan transaction;
- ensuring compliance with HMRC requirements;
- preparing a loan agreement;
- liaising with a Solicitor in order to deal with security for the loan.

£585 minimum per loan establishment

loan monitoring

- regular monitoring of loans to ensure capital and interest payments are made when due.

£235 per loan per annum

initial and subsequent investments in an EPUT

- liaising with EPUT provider;
- investment of funds;
- agreeing appropriate documentation;
- sale of units.

£232 per Member investor

£54 per annum per Member investor

establishing deposit bank accounts

- liaising with the Bank to establish the account.

all at £232 at set up

establishing a Stockbroker nominee account

- liaising with a Stockbroker to open the account.

£54 per annum per account

execution only share purchases

- setup of an execution only agreement with a Stockbroker;
- agreeing subsequent share purchases and sales.

Genuinely Diverse Commercial Vehicle monitoring fee

- establishing and monitoring to ensure compliance with the GDCV rules are maintained throughout the lifetime of the investment.

PSGS pre-approved complex investment

- purchase of alternative investment pre-approved by PSGS.

making a basic investment

- set up of an investment portfolio, managed fund account, unit trust investment, Trustee Investment Plan or other insured policy, OEIC, gilts or fixed interest security investment.

£0 at set up

£54 per annum per investment

other investments possible in a SIPP (continued)

complex investment not yet approved

- completion of due diligence on the investment and the associated company, in order for PSGS to approve the investment;
- Intellectual Property or other complex illiquid investment assets.

£579 per purchase
£290 per sale

£54 per annum per investment

unquoted share transactions

- regulatory guidance to ensure compliance with the SIPP Rules and HMRC requirements;
- agreeing appropriate documentation.

£579 per purchase
£290 per sale

establishment and ongoing annual fees for an Exempt Unit Trust (EUT) sub-trust to act as a special purpose vehicle for the pension scheme

- establishment of an EUT sub-trust for investment purposes;
- annual administration.

Investment transactions within the EUT will be charged in accordance with the relevant transaction fee in this services and fees.

By agreement with PSGS for transactions <£150,000

£1,030 per establishment
£515 per annum per investment

initial and subsequent investments in an EUT

- liaising with EUT provider;
- investment of funds;
- agreeing appropriate documentation;
- sale of units.

£232 per Member investor

£54 per annum per Member investor

unquoted share monitoring

- regular monitoring of unquoted share in line with HMRC requirements.

£232 per annum per unquoted share

specialist transfers and end of scheme services

transferring benefits to another UK Registered Pension Scheme

- liaising with receiving scheme provider to facilitate the transfer;
- checks to ensure the transfer is permitted;
- regulatory guidance to ensure compliance with the SIPP Rules and HMRC requirements.

Refer to the relevant section of this document for fees relating to in-specie asset transfers e.g. if transferring a property in specie, see property sale on page 5.

£232 per Member

cash transfers to the SIPP from an overseas scheme

- liaising with ceding scheme provider to facilitate the transfer;
- regulatory guidance to ensure compliance with the SIPP Rules and HMRC requirements;
- application to HMRC to register an Enhanced Lifetime Allowance (International).

£232 per Member per transfer

transfers from the SIPP to an overseas scheme

- liaising with receiving scheme provider to facilitate the transfer;
- regulatory guidance to ensure compliance with the SIPP Rules and HMRC requirements;
- compliance with the foreign jurisdiction's regulatory requirements and the UK QROPS system (where applicable).

Overseas transfers involving property will incur our property in specie transfer fees, in addition, see above.

time cost

winding up the SIPP or cessation of our services

- arranging for the SIPP to be wound up in accordance with the SIPP Rules and for all legal requirements to be met;
 - notification to HMRC and the Pensions Regulator;
- or
- to cease acting as Asset Trustee and Scheme Administrator.

we must complete the following before we wind up SIPP or cease our services:

- closing self-assessment forms (SA970);
- outstanding Registered Pension Scheme Returns;
- outstanding Registered Pension Scheme Event Reports;
- any other reports required by HMRC.

the published fees will be charged for these services.

£464

important notes – please read

We are not authorised to give investment advice. All investment proposals should be referred to your adviser. We cannot comment on investment suitability, only on compliance with SIPP Rules and HMRC practice.

Fees charged by third parties such as, but not limited to Solicitors, Investment Advisers, Surveyors, Stockbrokers are not our responsibility, must be met out of SIPP funds and are in addition to our fees.

All fees listed are minimum fees and all fees are subject to Value Added Tax at the prevailing rate.

We review all fees each year with effect from 1 April and unless there is a major change in governing regulations, our fees will normally only increase each year by the higher of 3% or in line with the annual movement in average weekly earnings or such other index as is issued by the Office for National Statistics from time to time and as published the month preceding the annual fee review date.

All invoices raised are due for payment immediately and will be settled automatically from the SIPP bank account. You are responsible for ensuring that there are sufficient funds in the account to meet the invoices due. Invoices not settled within fourteen days of the invoice date, will attract a late payment surcharge of 5%. The charge will apply from the fifteenth day and the additional 5% per month will be added each month from that date.

Should any fee remain unpaid for a period of fourteen days, we reserve the right to make arrangements to collect the outstanding amount in settlement. Please refer to the Terms & Conditions for details.

We reserve the right to charge proportionate fees for work done on any aborted or pending transactions.

Where a SIPP is winding up, a Registered Pension Scheme Return and Registered Pension Scheme Event Report may be required after the SIPP has been wound up.

In the case of a SIPP being taken over by another Asset Trustee/Scheme Administrator, cessation of our services is only possible once all outstanding matters have been dealt with. If re-registration of all assets is not complete within one month of our cessation of services, we will charge on a time cost basis for any further work.

All SIPP activities are subject to HMRC reporting requirements.

loan fees

Loans requiring security or involving foreign borrowers and/or security are often complex and so may involve time cost fees in addition to our minimum fee. Our minimum fee will be charged for all aborted transactions.

We do not offer a debt collection service and our loan monitoring fee does not include dealing with the management of any arrears.

property fees

Our minimum fee will be charged for all aborted transactions. In specie transfer of asset(s) will be charged at time cost, or in accordance with the transaction fees found within this Services & Fees document. We do not offer a debt collection service and our rent monitoring fee does not include dealing with the management of any arrears.

Percentage of fund fees

Every SIPP operator has to hold sufficient capital to meet the regulatory rules set by the FCA, in order to protect their clients in the event that the operator fails, or withdraws from the market. New rules now directly link this capital requirement to the value of your SIPP and the type of assets held in it. To be clear, we have to charge a fee which has nothing to do with running your SIPP or the quality of the service we provide, it is simply required to cover the impact your SIPP has on PSGS' Capital Requirement. The fairest way to do this is to charge the fee appropriate to you, the client, rather than a flat fee which is fair to some and unfair to others.

Your fund value when you join the SIPP, changes when you make pension contribution or make transfers into your SIPP and fund growth due to investment return. These all impact on our Capital Requirement and we have set the percentage based fees to reflect this as fairly and accurately as we can. We calculate this fee when you join the SIPP, based on your initial contribution and pension transfers. Separate fees apply when you make a new contribution, a further pension transfer and incorporated in your annual fee is a small allowance for fund growth.

important notes – please read

time cost fees

Work done by our administrators is charged at £100 to £150 per hour. The charge rate depends on the nature and urgency of the work and degree of skill, experience and seniority of the personnel required to undertake it.

Work undertaken by a Director or Manager is charged at an increased rate of up to £250 per hour. The charge rate is dependent on the nature, complexity and urgency of the work.

We will estimate our time cost fees and agree them in advance with the Client. We will keep time sheets and present them to the Client with the fee invoice once we have completed the work. We will contact the Client immediately if the original fee estimate is likely to be exceeded due to unforeseen complexity or delays beyond our control. We will then agree a revised fee estimate with the Client. As fees for all services are based on minimum fees, we will charge the minimum fee in advance and treat any time cost element in the same way as above.

example fees

Here are two examples of the fees that would be due in year 1 and 2 based on our new fee levels.

Example fees #1

New SIPP with 2 Members and 2 transfers in and a fund value of £100,000 growing at 6% per annum

	£
SIPP establishment (assumes the £100,000 is a transfer in)	810+
0.23% of fund value	230
Annual Administration	1,075+
Per member fee	316+
0.23% of investment fund growth (year 2 example based on 6% growth)	14
Annual Valuation & Fund Share	232
ICO Fee	35
Pension Regulator Fee	12
Total cost in year 1	2,710
Total cost in year 2	1,684
Cost per Member year 1	1,355
Cost per Member year 2	842

Example fees #2

New SIPP with 2 Members and 2 transfers in and a property purchase and borrowing in the first year. Assuming a fund value of £200,000 on completion, growing at 6% per annum

	£
SIPP establishment (assumes the £200,000 is a transfer in)	810+
	460
Property purchase in first year	893
Borrowing to assist with purchase	348
Annual borrowing monitoring	174
Registering the SIPP for VAT	464
Election to Waive Exemption	232
Submission of Quarterly Returns	232
Annual property investment and rent monitoring	286
Annual Administration	1075+
	316+
	28
Annual Valuation & Fund Share	232
ICO Fee	35
Pension Regulator Fee	12
Cost in year 1	5,597
Cost in year 2	2,390
Cost per Member year 1	2,798.50
Cost per Member year 2	1,195