The OneSIPP

Key features

Sanlam Wealth

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Helping you decide

- Sanlam and Sanlam Investments and Pensions are trading names of Sanlam Life & Pensions UK Limited (SLP) and Sanlam Financial Services UK Limited (SFS).
- SLP is authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority. The firm reference number is 110397.
- SFS is authorised and regulated by the Financial Conduct Authority. The firm reference number is 472783.

Both the FCA and the PRA are referred to as the regulator throughout this document. The regulator requires us, Sanlam Investments and Pensions, to give you this important information to help you decide whether the OneSIPP is right for you. You should read this document carefully, so you understand what you are buying, and then keep it safe for future reference.

Our regulator requires Sanlam Life & Pensions UK Limited to prepare a *Solvency and financial condition report* in line with the Solvency II Regulations. This report outlines the nature of our business, how it is managed and its solvency position. A copy of the report can be found on our website at https://www.sanlam.co.uk/Assets/PDFs/Literature/Sanlam-Life-and-Pensions-UK-Ltd-Solvency-and-Finan.aspx

We, or your financial adviser, will produce a *Key features illustration* for you which is intended to show what an investment through the OneSIPP could mean for you. That document forms an important part of this document and you should read it with this document and keep it safe for future reference.

If there is anything you don't understand or aren't sure about, please get in touch with your financial adviser, call our client services team on 0117 975 2355 or email them at clientservices@sanlam.co.uk

You should be comfortable you understand the features of the OneSIPP before deciding whether to continue with the contract.

It should be remembered that, whilst there are now a number of ways to flexibly access pension savings, not all options will be available under each pension product. The options available under your OneSIPP are set out in this *Key features* document.

Aims of the OneSIPP

The main aims of the OneSIPP are to:

- Provide a tax-efficient way to save for your retirement.
- Provide, via flexi-access drawdown, a series of ad hoc lump sum payments or a regular pension income for such time as your pension fund retains a value. You will normally have the option of taking part of your pension benefits in the form of a tax-free cash lump sum (also called a pension commencement lump sum).
- Provide a one-off lump sum payment, of which 25% is tax free, with the balance taxed as income. This is known as an uncrystallised funds pension lump sum (UFPLS).
- Provide, on your death, a one-off or series of ad hoc lump-sum payments or a regular income for your chosen beneficiary/ies via flexi-access drawdown for such time as your pension fund retains a value.
- Allow you to buy a lifetime annuity, referred to as an annuity throughout the rest of this document, if you decide to do so.
- Provide you with a range of investment options and give you control of how your pension fund is invested.
- Allow you to make further contributions or transfers to your fund.
- Allow you to choose when you take your benefits subject to HM Revenue & Customs (HMRC) requirements.

It is important to note that tax treatment depends on your individual circumstances and may be subject to change in the future.

Your commitment

To start a OneSIPP, your single contribution or transfer payment must be £1,000 or more. You can also pay a minimum regular contribution of £100 per month or £1,000 per annum which may cease at any time without penalty.

If you want to invest in assets outside of our Pinnacle Range of funds, we will set up a self-invested fund for you. The minimum single contribution or transfer payment for a self-invested fund is currently £25,000 in your OneSIPP account as a whole.

If a transfer payment has been made, you will give up all the rights associated with your previous scheme or contract. It is unlikely that you will be able to return the transfer payment to your previous scheme or contract, but for more information on this, please see the section entitled 'Can I change my mind once I've applied?'.

These funds will remain invested in your OneSIPP until you take your pension benefits or you transfer them to another pension scheme. You must normally wait until at least age 55 before taking your benefits.

If you choose to take a pension income as flexi-access drawdown, additional commitments apply:

- Once you start flexi-access drawdown, you should keep the amount of annuity you will be able to buy with your remaining fund under review.
- You should regularly review the level of income and/or single payments you take from your flexi-access drawdown fund as no further monies will be payable once your fund has been depleted.
- You, or your nominated investment manager, must also ensure that there is sufficient cash in the fund to cover any flexi-access drawdown income payments and to pay the charges, when they are due.

Risks

There are certain important features and factors that may affect the performance of your OneSIPP. You should discuss these with your financial adviser before you make any decisions.

- If you transfer to OneSIPP, the pension that you receive from your OneSIPP, and any death benefits, may be lower than those you would have received from the transferring scheme.
- The benefits you receive will depend on investment performance. The value of investments can fall as well as rise and you may not get back the amount originally invested. The performance of funds holding assets denominated in foreign currency will also be subject to variations in currency rates. Different investments have different levels of risk.
- When you start your OneSIPP, or make any additional contributions and you exercise your right to cancel within the 30-day period, you may get back less than you paid in. This is because any fall in the investment value of your fund and any adviser fees paid in respect of contributions before we received your notice of cancellation will be deducted from the amount you originally paid in. If a transfer payment has been received, any adviser fees will be recovered from the adviser before the transfer payment is returned, if the transferring scheme agrees to accept the return of the transfer payment.
- What you get back when you take your benefits is not guaranteed. Your pension benefits may be lower than originally anticipated.

This could happen for several reasons:

- investment performance is less than anticipated;
- annuity rates, if you choose to buy an annuity, are lower than anticipated;
- tax rules and legislation changes;
- charges increase above those anticipated at the beginning;
- you take your benefits before the age originally planned;
- you contribute less than you planned;
- the amount of your future income could go down – for example, poor investment returns, particularly coupled with high income payments from flexi-access drawdown could significantly reduce the amount you have left to buy an annuity, or exhaust your pension fund completely;
- annuity rates may be at a lower level if you decide to buy an annuity than they were when you commenced flexi-access drawdown; and/or
- any reduction in charges that you may receive as a result of the operation of your OneSIPP via a third-party platform provider will no longer apply if your OneSIPP ceases to be operated via that platform – at that point, OneSIPP charges prevailing at that time will apply in full.

Any income you elect to take from your pension fund will be taxed at your own marginal rate of income tax, and could, particularly where payments are taken in lump-sum form, mean you pay more income tax. Please see 'What about tax?' for more information.

When you come to take your benefits from OneSIPP, depending upon the manner in which you do this, the amount of future tax-relievable contributions you are able to make to defined contribution pension arrangements may be restricted.

Additional risk factors apply if you have a self-invested fund (for further information see 'How does a self-invested fund work?'):

- the potentially higher costs of a self-invested fund;
- there could be greater volatility and risk, depending on what investments you or your investment manager choose for your fund;
- investments, such as commercial property, may take longer to sell than others – you will need to take this into account when you consider taking or transferring your pension benefits; and
- where your investment manager uses an external custodian, and your investments are moved from a policy sub account(s) to a trustee fund, the level of compensation to which you would be entitled in the event of Sanlam failing will fall to a maximum of £50,000 per person.

Before you take any benefits from your OneSIPP, we recommend that you seek free and impartial guidance from the independent organisations appointed by the government for this purpose.

HM Treasury has set up a website called 'Pension Wise' (please see www.pensionwise.gov.uk), which is designed to help you understand your options and guide you through the decision-making process and includes online tools and guidance. The telephone number for Pension Wise is 0800 138 3944

You can, via Pension Wise, access telephone guidance from The Pensions Advisory Service and face-to-face guidance from The Citizens Advice Bureau. To contact The Pensions Advisory Service, you can visit www.pensionsadvisoryservice.org.uk or call 0300 123 1047

You can also visit any Citizens Advice Bureau to find out about the Pension Wise service.

More information will be provided in the lead up to you taking your benefits.

Questions and answers

Who is the OneSIPP aimed at?

Clients who:

- Have received financial advice that this product is suitable for them.
- Want control over their investments, either immediately or in the future.
- Only want to pay charges for the services they use.
- Are looking for a product which provides more investment flexibility than a stakeholder pension or work place pension scheme allows (see 'Is this a stakeholder pension?').

Who is the OneSIPP not aimed at?

If none of the points above apply to you, then the OneSIPP is unlikely to be the most appropriate product to provide your pension benefits.

Is this a stakeholder pension?

No, the government has set minimum standards that a pension plan must meet to be classed as a stakeholder pension. These are to do with contribution levels, charges and terms and conditions.

The OneSIPP is not a stakeholder pension. Our minimum contribution is higher and charges can be higher than the government stakeholder standards allow.

You should also consider whether you have access to a work place pension scheme to which your employer will contribute.

Where a stakeholder plan or work place pension scheme is available, they may meet your needs at least as well as our OneSIPP.

How is the OneSIPP set up?

Sanlam Life & Pensions UK Limited established the scheme and has appointed Sanlam Trustee Services UK Limited as the scheme trustee. Sanlam Financial Services UK Limited is the scheme administrator and is responsible for the collection of payments made in connection with the scheme, the payment of scheme benefits and the administration of any non-insured assets held within the scheme. Sanlam Life & Pensions UK Limited is responsible for the insured assets of the scheme held within a policy sub-account. Sanlam Trustee Services UK Limited is responsible for the trustee assets of the scheme.

The scheme is a registered pension scheme under Part 4 Chapter 2 of the Finance Act 2004. This means that the way in which our OneSIPP is designed and operated must comply with certain rules, regulations and requirements set out by HM Revenue & Customs (HMRC), the Department for Work and Pensions (DWP) and the regulator. References are made to these organisations throughout this document.

How can I start a OneSIPP?

A OneSIPP can be started by making a single or regular contribution, or by a transfer payment from another registered pension scheme.

What are my investment options?

Once your OneSIPP has been set up, you have control over how it is invested. You can normally choose from Customised Selection, SIP Accel funds, our Pinnacle Range of funds, or a mixture of all of these. In addition, a Model Portfolio Service is available in the circumstances described below.

Customised Selection

The Customised Selection allows you to have a self-invested fund which gives you the freedom to invest in a wide range of investments. A self-invested fund allows you to make your own investment decisions. Where external custodianship is required, Sanlam Private Wealth would normally be appointed to manage your investments for you, otherwise you can nominate an investment manager to manage your investments for you either on a discretionary basis or in accordance with your instructions, depending on your requirements. Remember that where someone other than yourself is investment manager, they must be appropriately authorised by the regulator.

We would not normally interfere with the choice of investments unless any investment is classed as taxable property by HMRC; it can create a liability on the scheme; or is likely to prevent us from paying benefits. Having said this, we have the final say on whether an investment can be made. All investments must comply with the relevant HMRC requirements to remain within the tax-privileged environment given to funds held under a registered pension scheme.

The Pinnacle Range of funds

The Pinnacle Range is a carefully selected range of funds aimed at providing a choice of top-class investment funds, with strong potential future performance. The selection gives a choice of funds from a range of providers and spans the major Investment Management Association regions and sectors. You can invest in up to a maximum number of funds at our discretion at any one time and you can switch between funds, currently free of charge. You can also switch your investment from our Pinnacle Range into your self-invested fund (subject to a minimum fund value in your OneSIPP account as a whole. See the *OneSIPP Guide to charges* for more details). Full details about these funds are included in the *Fund choice guide*.

SIP Accel funds

The SIP Accel funds are a range of risk-rated fund of funds. The asset allocation of each fund is designed to deliver levels of risk and reward that match a specific risk profile.

Unlike many other managed funds, they are not benchmarked against other fund managers but against a fixed range of asset classes. This process may provide for a more consistent level of risk in varying market conditions.

The SIP Accel funds are managed by Sanlam Investments and, used alongside the Sanlam risk profiler, may provide an investment solution that is more tailored to your level of risk.

Model Portfolio

The Model Portfolio Service is an investment service that you may choose for your OneSIPP.

By 'Model Portfolio' we mean the description of an investor's attitude to risk and investment objectives. You may agree with your financial adviser that a particular Model Portfolio's objectives are appropriate to you.

The Model Portfolio Service is available where you have chosen a model portfolio and where the relevant legal agreements are in place between your financial adviser or Sanlam Financial Services UK Limited, as the case may be, and a discretionary investment manager who is selected to provide discretionary investment management of a model portfolio on behalf of clients in relation to our investment products. In circumstances where such an arrangement is in place, you may select the Model Portfolio Service as an investment option, either at outset or at a later stage.

The discretionary investment manager appointed on your behalf will select, monitor and review the insured funds available from our Pinnacle Range of funds referred to above, which make up the model portfolio you have selected, and will provide us with any switch instructions in relation to the individual funds that make up that model portfolio from time to time. Where you have selected the Model Portfolio Service, you will not be allowed to issue such switch instructions or such investment decisions unless you opt out of the Model Portfolio Service.

How does a self-invested fund work?

The assets which are invested in your OneSIPP will either be held in a policy sub-account under a master policy issued by Sanlam Life & Pensions Limited to the scheme trustee, or in a trustee fund held in the name of the scheme trustee. These funds will be exclusive to you, but you will not have any legal interest in the assets of your fund. In both cases, you will have a contractual right to the payment of benefits in accordance with the terms and conditions of the OneSIPP, the value of such benefits being calculated by reference to the value of the fund.

The money you transfer, or pay, to us will be held in cash until you or your nominated investment manager starts purchasing assets for your fund. A cash account will be maintained for your self-invested fund to facilitate payment and receipt of asset transactions in relation to that fund.

Where our own custodian is used to hold investments, assets will generally be held in the policy sub-account where we are confident that they fall within the range of 'permitted links' prescribed by the regulator, otherwise they will be held within the trustee fund. Cash will be normally transferred between the policy sub-account and trustee fund as necessary.

If your investment manager uses an external custodian, it's not possible to hold both insured and trustee assets in your OneSIPP. Instead, assets will be held in the insured fund unless (or until) the investment manager buys an asset that must be held in the trustee fund. At that time, all assets in the insured fund will be transferred to the trustee fund and your OneSIPP will hold only trustee assets.

All transactions for the self-invested fund must be made in accordance with the terms of an investment management agreement between you or your nominated investment manager and Sanlam Life & Pensions Limited and/or Sanlam Financial Services Limited.

We reserve the right to sell any investment that is held as an asset of your fund if we believe that the holding of that investment does not meet any HMRC requirements, and where assets are held solely in a policy sub-account, any requirements of the regulator.

How much can I contribute?

You can normally contribute up to 100% of your earnings, or £3,600 gross (whichever is greater) into your pension schemes each tax year and receive tax relief on your contributions. However, there is an overall annual limit on the amount of contributions that are eligible for advantageous tax treatment called the annual allowance; please see 'What about tax?' for more information.

All contributions from all sources are tested against the annual allowance and a tax charge will be applied if contributions exceed the available annual allowance in that tax year, except where benefits are taken due to serious/severe ill health or in the event of death.

More information on the annual allowance is contained in our factsheet *Pension contributions and tax relief* available on our website at www.sanlam.co.uk or on request.

Please remember the tax treatment depends on your individual circumstances and may be subject to change in the future.

How flexible are the contributions?

You, or someone on your behalf, can, before age 75, make single or regular contributions, or change the amount of your regular contributions (subject to our minimum requirements) and receive tax relief on those contributions. No tax relief is available on any contributions you make after age 75.

In addition, you will be liable to pay an annual allowance charge at your own marginal rate of income tax, on any contributions paid in excess of the available annual allowance. At any time, subject to meeting any legislative requirements, you can make transfer payments from your existing pension schemes to the OneSIPP.

Important information: If you designated your OneSIPP to provide capped drawdown pension prior to 6 April 2015, or you make a transfer payment of such funds to your OneSIPP, then special conditions apply. Please see 'What conditions apply to capped drawdown pension?'

You may choose to have regular contributions increased automatically each year in line with the Average Weekly Earnings Index. Alternatively, contributions can be increased automatically by a fixed percentage amount between 1% and 10% subject to HMRC requirements. You can stop paying or take a contribution break and restart contributions again later.

If there is a significant increase to contributions in anticipation of you taking a pension commencement lump sum, or increase contributions significantly afterwards, this might be regarded by HMRC as recycling the pension commencement lump sum to artificially generate tax relief and a tax charge may apply to the lump sum in certain circumstances. This can apply to contributions paid before age 75 in the tax year up to two years before, or two years after the tax year in which you take your pension commencement lump sum.

What if I stop paying contributions?

Your accumulated fund will remain fully invested until it is time for benefits to be paid or you decide to transfer the fund to another pension scheme. Existing product charges will continue to be deducted, but there are no extra product charges or penalties for stopping your contributions.

You should note that your pension from the OneSIPP will be lower, perhaps significantly, because less has been paid in.

You can restart contributions again at any time.

What should I consider before making a transfer?

If a transfer payment is made to your OneSIPP any benefits or guarantees which applied to your previous pension scheme, for example guarantees to pension or death benefits, will be lost.

If your transfer value from a defined benefits scheme is £30,000 or more, we will only accept it if you have first received financial advice and a positive recommendation to transfer.

How portable is the OneSIPP?

You may transfer the value of your OneSIPP to another pension scheme at any time, before you start receiving an annuity.

It will normally be necessary to sell all the assets held under your self-invested Fund prior to any transfer value being paid to another scheme. The transfer value payable will be paid net of any charges that may apply.

Before you consider making a transfer request, we would recommend that you discuss it with your financial adviser.

If you have a flexi-access drawdown fund, you may transfer your remaining fund to another pension scheme which is able to receive such transfers.

What conditions apply to capped drawdown pension?

If you are taking capped drawdown pension, the government sets a maximum amount that you may take as income each year. This maximum income is calculated as 150% of the value of an equivalent annuity based on rates set by the Government Actuary's Department. The maximum income is normally reviewed every three years until you attain age 75 and annually thereafter.

If you transfer funds to your OneSIPP that have previously been designated to provide capped drawdown pension, the maximum income limit set by the previous provider will continue to apply until the next review date.

If you take income from your capped drawdown pension fund in excess of the permitted maximum, you will be deemed to have converted your pension fund to provide flexi-access drawdown - see 'What additional factors do I need to consider before taking flexi-access drawdown or an UFPLS?'.

What options do I have on taking benefits?

You can normally take benefits from age 55 including the option to take a pension commencement lump sum of up to 25% of the fund. If benefits are taken after age 75, any pension commencement lump sum may be restricted if you have insufficient lifetime allowance (LTA) available (See 'What about tax?').

You may opt for flexi-access drawdown under OneSIPP, which provides for an unlimited amount of income up to the total value of your pension fund. Income may be taken as a one-off lump sum or series of ad hoc payments, or as a regular income.

You don't have to take all your fund as flexi-access drawdown at once; you can take just part of your fund and choose to take the rest at a later date, or in stages if you prefer.

If you prefer, you may take all your fund (all the assets held in your policy sub-accounts and your trustee fund) as an UFPLS. 25% of this payment will be tax free and the rest will be taxed at your marginal rate of income tax. Note that this could mean you pay more income tax which you can reclaim from HMRC.

Alternatively, the remaining fund can be used to secure a regular income until your death in the form of an annuity. The level of income depends on your age, annuity rates and the payment options you choose. Your state of health, particularly if your health is impaired, can also affect the amount of annuity you can receive and you /your financial adviser should shop around for the product and provider that best meets your needs.

For example, you could opt for a pension which pays the same regular amount throughout, or one that increases at a fixed rate of up to 5% per annum. Alternatively, you may choose one with another annuity provider that alters in line with investment returns.

When you buy your annuity, you can normally:

- Choose to have an annuity that increases or decreases in future years.
- Guarantee payments of your pension for a specified period. If you die during this time, these payments won't stop but can continue to be paid to your dependants, or any other beneficiaries which the scheme rules allow, for the rest of the guarantee period.
- Choose how often you want your pension to be paid, although this must be paid at least once a year.
- Choose a pension for a chosen beneficiary/ies on your death.
- Provide for an annuity protection lump sum. This may be payable depending on the payments made and your age at the date of death.
- Choose from which authorised annuity provider you wish to buy your pension.

All these options will be determined when the annuity is set up.

What additional factors do I need to consider before taking flexi-access drawdown or an UFPLS?

Flexi-access drawdown or an UFPLS is usually only suitable if you have other assets or income on which to maintain your living standards. This is because you take some or all of your income from your fund, and if you take income using flexi-access drawdown, there is no certainty how long your fund will last.

By taking flexi-access drawdown or an UFPLS and not buying an annuity you will lose the benefit of what is called 'mortality cross-subsidies'. This means that the amount of pension payment for someone who buys an annuity with an insurance company is effectively subsidised by those who die early. There is no cross-subsidy whilst you take flexi-access drawdown or if you take an UFPLS and your fund will need to grow by a greater amount to compensate for this. The longer you defer buying an annuity, the greater the amount of subsidy that is lost, and this will affect the amount of your pension income provided by an annuity. The effect becomes greater the older you are.

Once you take income from your flexi-access drawdown fund or take an UFPLS, your ability to make future tax relievable contributions will be restricted; please see our factsheet *Pension contributions and tax relief* available on request or on our website.

Before taking flexi-access drawdown or an UFPLS, you should seek free and impartial financial guidance known as Pension Wise from the independent organisations appointed by the government for this purpose – see www.pensionwise.gov.uk

What happens if I die?

Your OneSIPP pension fund can be distributed on your death, regardless of whether you were taking benefits from it or not.

Who can receive the death benefits?

You can nominate whoever you like to receive your death benefits. This could be your spouse, children or grandchildren. You can also leave some or all of your OneSIPP pension fund to charity.

How are death benefits paid?

Your beneficiaries will normally have the choice of taking the fund as a lump sum, leaving the fund invested and using it to provide an income, or buying an annuity.

If they choose to leave the OneSIPP pension fund invested they can take income as and when required.

How are death benefits taxed?

The tax treatment of death benefits paid from your pension depends on two factors:

- your age when you die; and
- whether or not the funds are 'designated' to your beneficiary within two years – designating the funds simply means transferring them into the beneficiaries' names, it does not always mean payments have to be made.

Further information can be found under 'What about tax?'

What happens to the fund when the beneficiary dies?

If your beneficiary has not withdrawn the entire pension fund before their death, then the funds can be passed on again. Your beneficiary will be able to nominate other beneficiaries (also known as successors) who they want the funds to go to following their death.

The successors will then have the option of taking the funds as a lump sum or using it to provide an income. Again, the tax treatment of these funds depends on the age of the beneficiary at the time of death. If the beneficiary dies before age 75, normally benefits will be paid tax free and taxed if death occurs at age 75 or after.

What happens if I join an employer's pension scheme?

You can continue to pay into your OneSIPP, even while you are paying contributions into your employer's pension scheme, subject to the overall contribution limits (please see 'How much can I contribute?').

If your employer also pays contributions to a registered pension scheme on your behalf, these must be taken into account for the purposes of the annual allowance test (please see 'What about tax?').

What about tax?

Basic rate tax relief is claimed from HMRC and automatically added to your OneSIPP shortly after you make your contribution. If you are a higher or additional rate taxpayer, you usually claim the extra tax relief through your self-assessment tax return. Alternatively, you may contact HMRC to request an adjustment to your PAYE tax code. You normally receive tax relief on your contributions up to 100% of your relevant UK earnings (subject to the available annual allowance) or £3,600 per annum, whichever is higher. Any employer contributions to your OneSIPP will be paid gross.

In addition, contributions made by you, or on your behalf and any from your employer to your OneSIPP are tested against the annual allowance in a particular tax year. Increases in the value of benefits you have in a defined benefits scheme, such as a final salary scheme, are also included in the test against the annual allowance.

Any contributions made in excess of the available annual allowance will be liable to a tax charge which will effectively reduce any tax relief to nil.

If you have been a member of a registered pension scheme sometime during the previous three tax years prior to your OneSIPP being set up, it may be possible for any unused annual allowance for those years to be added to the annual allowance for the current tax year. Please speak to your financial adviser if you think you may wish to take advantage of this facility.

Please refer to our factsheet *Pension contributions and tax relief* for more information on the circumstances in which your annual allowance may be reduced.

HMRC has set what's known as a standard lifetime allowance (SLA). This means that normally when you take benefits, if the total value of all your pension funds is greater than the SLA, then you will be taxed on the excess amount. This will be at 55% of the excess if it is paid as a lump sum and 25% if it is paid as income (income is then subject to income tax when paid).

Your lifetime allowance may be higher than the SLA if you have been granted protection by HMRC.

More information on the lifetime allowance and the different protection regimes can be found in our factsheet *Pensions scheme allowances and tax charges*, available on our website or on request.

Normally there is no tax on growth in asset values, no additional UK tax on dividend income received from UK companies and no UK tax on income from other assets.

You can normally take a tax-free cash sum, known as a pension commencement lump sum, of up to 25% of your fund value from your OneSIPP.

Your pension payments and any flexi-access drawdown or UFPLS payments will be taxed as income under PAYE. You should be aware, particularly if taking lump sum payments, that this could result in you paying more income tax. See our factsheet *Important information on the taxation of benefits* available on our website or on request. You may wish to discuss this with your financial adviser before taking lump-sum payments.

On death before age 75:

- If you die before your 75th birthday and your pension funds are 'designated' to your beneficiaries within two years they will be paid tax free. If pension funds are not designated within two years of notification of death, benefits will be taxed.
- The tax treatment is the same regardless of whether the beneficiaries opt to take a lump sum or income.

On death after age 75:

- If you die on or after your 75th birthday, death benefits will be taxed. Regardless of whether the beneficiaries receive the funds as income or a lump sum, this will be taxed at their marginal rate of income tax.

Following the death of a beneficiary, the tax treatment will depend on the age of the beneficiary who was holding the pension at their death. For example, this will normally be tax free if death occurs before age 75 and taxable if death occurs at age 75 or after.

Any benefits paid from the OneSIPP will normally be authorised payments under the pensions tax legislation. However, whilst the intention is not to make any unauthorised payments we, as scheme administrator, shall have the ability at our absolute discretion to make an unauthorised payment. Where we exercise such discretion, we shall deduct such amount as we reasonably believe covers any scheme sanction charge or any other tax charge arising as a consequence of making that payment from your fund, the survivor's fund and/or (as relevant) the benefits paid. If there is no pension fund, we will recover any such tax charges directly from you.

Tax rules and legislation are subject to change, and the rate of tax relief may also alter depending on your financial circumstances. The information we have provided here is based on our understanding of law and HMRC practice when we published this document.

Further information

What are our charges?

We operate an activity-based charging structure which means that you only pay for the facilities that you use.

We charge for administering your pension and for any management of the funds. Full details will be shown in your personalised illustration and the *Guide to charges*.

There may be additional charges when your OneSIPP is operated via a third-party platform, or fund supermarket. Please see details of our transaction charges for such investments in the *Guide to charges*.

Our charges are subject to review, in accordance with the terms and conditions, and may change in the future.

How much will my financial adviser charge for advice?

You will be responsible for agreeing with your financial adviser exactly how much they will be paid for the advice and services that they provide. Any adviser fees paid following advice to invest in your OneSIPP must be specifically authorised by you. Only you may authorise any increase to adviser fees and you may also instruct us to cease payments to your financial adviser. Although you may authorise these charges to be deducted and paid from the money you invest, you will remain responsible for payment of the advice and services. For example, if you cancel or stop paying contributions to your OneSIPP, you may be liable for any adviser fees still due to be paid to your financial adviser.

Your financial adviser may offer a range of different fee options. For example, your financial adviser may charge a percentage of the amount of new money invested, or of the value of the funds that you have asked them to consider. It is also possible for one-off payments to be made from your OneSIPP, with your agreement.

Alternatively, your financial adviser may agree with you a fixed fee for the work to be undertaken at the outset, and a different amount for any on-going advice that you may require. These are not the only options available. Adviser fees may be set up to pay for both initial advice costs (initial adviser fees) and ongoing reviews and services (ongoing or ad hoc adviser fees). Further details of the payment options available from our products are detailed in the *Guide to adviser charging*, which is available on our website www.sanlam.co.uk or on request.

What other external charges may apply?

Where your OneSIPP is operated via a third-party platform or fund supermarket, your financial adviser will be responsible for disclosing and obtaining your acceptance of any charges that may apply.

How will adviser charging affect my OneSIPP?

If you make a pension contribution to your OneSIPP, tax relief will be granted on this in the usual way (see 'What about tax?'), regardless of whether adviser charging fees are to be paid from your OneSIPP.

If you pay adviser fees to your financial adviser separately, only the actual amount paid to your OneSIPP will be eligible for tax relief.

Can I change my mind once I've applied?

Yes, when you set up your OneSIPP or make an additional contribution not agreed at the outset, you will have a right to cancel and we will send you a cancellation notice. Once you have received this, you have 30 days to tell us if you want to cancel. If you do not wish to cancel the contract please do not return the cancellation notice.

Please note that if you exercise your right to cancel you may get back less than you paid in. This is because any fall in the investment value of your fund and any adviser fees, may be deducted from the amount you originally paid in.

If we are returning a transfer payment, the original provider may charge for taking the payment back or, in some cases, may not be willing to take it back. If the transfer payment is returned, any adviser fees deducted from the transfer payment and paid to your financial adviser will be recovered by us.

Depending on your agreement with your financial adviser, you may still be liable for any fees agreed. If you would like further information on your cancellation rights, please speak to your financial adviser.

Can I change my mind if I want to take flexi-access drawdown?

Yes, when you start to take flexi-access drawdown from your OneSIPP, you also have a right to change your mind. We will send you a cancellation notice and you must tell us within 30 days if you want to stop taking flexi-access drawdown. If you decide to do this, then any pension commencement lump sum and income which we have already paid to you will need to be returned.

Your flexi-access drawdown fund may be reduced because of any fall in the investment value of your fund, and any adviser fees deducted.

If you do not cancel within the 30-day period, your OneSIPP will continue in accordance with the terms and conditions, and no money will be refundable.

If you decide to transfer your OneSIPP to another pension scheme, the transfer value calculated will be minus any charges which may apply.

Depending on your agreement with your financial adviser, you may still be liable for any fees agreed. If you would like further information on your cancellation rights please speak to your financial adviser.

Can I change my mind if I want to take an uncrystallised funds pension lump sum?

No, you have no cancellation rights if you take an UFPLS. Once we've made the payment to you this cannot be reversed. So, it is important to be sure that taking your entire fund as a cash lump sum is right for you.

Can I waive the right to cancel?

If the intended purchase of any asset to be held in a self-invested Fund would be compromised by a delay, then on request, and subject to our agreement, you may be able to waive your right to cancel and proceed straight away.

Under these circumstances, you would lose the right to cancel as referred to previously.

How to complain

We have complaint procedures in place and details of these are available on request. Any complaints should be directed to our head office by phone, fax, letter or email.

If you are not satisfied with our response, you can complain to:

Financial Ombudsman Service
Exchange Tower
London E14 9SR

T 0300 123 9 123
www.financial-ombudsman.org.uk

The Pensions Advisory Service (TPAS) is also available to assist scheme members and their beneficiaries with any difficulty they have failed to resolve with the trustees or administrators of a scheme. Making a complaint will not affect your legal rights.

Will I be entitled to compensation?

If your financial adviser recommended this product, you have a statutory right to compensation from your financial adviser if the Financial Ombudsman Service decides that it wasn't suitable for your needs at the time.

Your adviser should only recommend a product which is suitable for your needs. In order to assess suitability, your adviser will need to have a clear understanding of your investment objectives and your attitude to risk.

Your adviser will also require additional information to decide whether this SIPP is an appropriate way for you to invest. If you have any questions about this type of investment or any concerns about the suitability of this SIPP, please discuss them with your adviser, before proceeding. A failure to raise any relevant concerns with your adviser at the outset may affect the outcome of any subsequent claim for compensation.

You may be entitled to compensation at a later date, if it can be demonstrated that your adviser recommended the OneSIPP and this was unsuitable for your needs. Any complaint about the investment advice which you have received should be made, in the first instance, to the firm which gave the advice. Please note that Sanlam Investments and Pensions is unable to provide specific advice about the suitability of any of its products for individual customers.

The Financial Services Compensation Scheme (FSCS) covers your pension. If Sanlam Investments and Pensions becomes insolvent and is unable to meet its obligations under your OneSIPP, you should be able to claim under the scheme.

You should be aware that insured assets are covered for a higher level of compensation than assets held directly by the trustee. Therefore, if it becomes necessary to switch all of your assets from insured to trustee held assets, the level of applicable compensation will fall from 100% of the value of the assets, with no upper limit, to £50,000 per person.

The current compensation limits are set out in our *FSCS compensation limits* factsheet which is available from our website or on request.

What happens if a bank holding client money on behalf of SFS goes into liquidation?

Money held in the SFS designated client money accounts are segregated from SFS's own funds, but will be pooled with money held on behalf of other SFS clients. This means that your money held by SFS will be held as part of a common pool of money, so you will not have a claim against a specific sum in a separate account; rather your rights will vest in the client money pool.

In the unlikely event that a default by a bank occurs and a shortfall arises, your claim in relation to money held will be limited to a share of the money held in the designated client money account with the bank.

Further information about compensation arrangements is available from us on request, or direct from the FSCS website www.fscs.org.uk. The FSCS correspondence address is 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU

Terms and conditions

This document gives a summary of Sanlam OneSIPP.

Full details are shown in the *OneSIPP terms and conditions* and, where appropriate, the Master Policy. If you would like a copy of any of these documents, they are available upon request.

The OneSIPP is held under the Sanlam Personal Retirement Scheme (SPRS). You become a member of the scheme when we notify you that we have accepted your application and the relevant contribution or transfer value has been received.

Benefits can be paid only in accordance with the rules of the scheme.

Client categorisation

Sanlam Investments and Pensions will treat all clients as retail clients. You will therefore benefit from the maximum consumer protection available under the regulator's rules.

Not all retail clients are eligible complainants under the Financial Ombudsman Service and you should refer to your financial adviser for clarification, where necessary. Please note a private individual is classified as an eligible complainant.

Minor non-monetary benefits

We may give or receive minor non-monetary benefits to/from some of the firms with whom we work with in order to offer you a better service. Such benefits may include information relating to financial instruments or investment services; participation in conferences, seminars and training events; and minor hospitality (such as food and drink during a business meeting, conference, seminar or training event). Any costs we incur in provision of such benefits will not affect the charges you pay for our service. Further information regarding these arrangements is available on request.

Law

The law and courts of England and Wales will apply in legal disputes. The English language will be used in all documents and correspondence.

How to contact us

It's always best if you contact your financial adviser in the first instance with any queries. However, if you have any questions, at any time, you can contact us on the following:

T 0117 975 2355 (Monday–Friday, 9am–5pm)
E clientservices@sanlam.co.uk

Office address

Sanlam Investments and Pensions
St Bartholomew's House
Lewins Mead
Bristol BS1 2NH

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