

# The OneSIPP

## Terms and conditions

# Summary

These *Terms and conditions* (terms) describe your Sanlam OneSIPP and how it will be operated. By signing the application form you are agreeing to these terms and to any insured funds in your account being held under a master policy issued by Sanlam Life & Pensions UK Limited to the trustee of the scheme, Sanlam Trustee Services UK Limited. You also consent to the requirements of the *Rules for insured funds*, the provisions of the master policy as detailed in these terms, the schedule of allowable investments as listed in the *Investment guide* and the product charges as set out in the *Guide to charges* (copies of all of these documents are available on request).

These are our standard terms upon which we intend to rely. For your own benefit and protection you should read these terms carefully. If there is anything you do not understand, please contact us or your financial adviser for further information. When you invest in your Sanlam OneSIPP, we will take this as your acceptance and agreement to our terms and you will be bound by them.

These terms are based on our current understanding of law and HMRC practice. Tax rules and legislation may change and the rate of tax relief may change and will depend on your financial circumstances. Please note that changes to taxation may be implemented retrospectively.

Further information and a full explanation about the tax legislation for registered pension schemes and HMRC practice and requirements can be found in the *Pensions tax manual* that can be found at [www.gov.uk](http://www.gov.uk)

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# 1. Definitions

In this section, we have set out the specific meaning of terms used throughout the document.

**Account:** the account set up for your OneSIPP. This account is made up of uncrystallised sub-accounts and crystallised sub-accounts.

**Account documents:** this *Terms and conditions* booklet and any amendments that relate to it, your account schedule and any further schedules or endorsements issued in connection with your OneSIPP. Where the account documents are required to be produced they also include any information, clearance or consents required from third parties.

**Adviser fee instruction:** the agreement and any subsequent agreement between you and your financial adviser relating to the payment of adviser fees to your financial adviser for their advice and ongoing services, and the facilitation of such fees by deduction from your OneSIPP.

**Adviser fees:** ongoing adviser fees, initial adviser fees and ad hoc adviser fees, in each case as defined and identified in your adviser fee instruction, payment of which you have agreed will be facilitated by deduction from your OneSIPP and paid to your financial adviser.

**Agreement:** an investment management agreement entered into between us and the investment manager.

**Allowable investments:** the types and classes of investments that can be held in your OneSIPP that comply with HMRC rules and are not classed as taxable property. Details of the investments allowed are available in the *Investment guide* and for SIP's funds in the *Fund choice guide*. We and/or SLP can choose not to allow any particular investment under the scheme or master policy and can vary the choice of allowable investments at any time.

**Arrangement:** the aggregate of all your sub-accounts, except for each transfer of crystallised funds that has its own arrangement, unless you are informed otherwise, in accordance with the *Rules*.

**Beneficiary:** any person, including a nominee as defined in the prevailing legislation and a dependant as defined in the *Rules*, nominated by you to receive benefits on your death.

**Capped drawdown pension:** pension benefits which are payable from your crystallised sub-accounts within limits laid down by HMRC and which is only available following a transfer in of existing capped drawdown pension from another pensions provider.

**Commencement date:** the date on which your account is established.

**Crystallised funds:** the monies held in your crystallised sub-accounts.

**Crystallised sub-account:** sub-accounts where you have started to take benefits as drawdown pension or capped drawdown pension and for the purposes of these terms do not include a lifetime annuity.

**Disqualifying pension credit:** the settlement amount to which you are entitled from the share of a pension that is already in payment on divorce or on the dissolution of a civil partnership or on the nullity of a marriage or civil partnership.

**Drawdown pension:** flexi-access drawdown.

**Flexi-access drawdown:** pension benefits available that we provide at the time and which are payable from your crystallised sub-accounts. Unlimited income payments may be made up to the value of your crystallised sub-accounts.

**Fund:** either a personal fund or trustee fund.

**HMRC:** HM Revenue & Customs.

**Handbook:** the *Regulator's Handbook of Rules and Guidance*.

**Index:** the index of average weekly earnings for all employees in Great Britain that is published by the government.

**Insured fund:** a separate identifiable portion of Sanlam Life & Pensions UK Limited's total long-term business fund that is represented by its eighth series of units, and units of which you may select for purposes of valuing your sub-account. Each insured fund is compatible with pension business within the meaning of Section 58 of Part 2 of the Finance Act 2012. Insured funds as described in the master policy shall include a personal fund.

**Investment(s):** investments as described in the Financial Services and Markets Act 2000, (Regulated Activities) Order 2001 and any subsequent amendment thereto.

**Investment manager:** an individual, partnership or company, nominated by the member or investor(s) and appointed by us to manage the assets of a personal or trustee fund (which may be on a discretionary basis or in accordance with your instructions depending on your requirements) and who is appropriately authorised under the Financial Services and Markets Act 2000. Or where the member is the sole investor, elects themselves and we and/or SLP agree.

**Investor(s):** the individuals who have elected to have their sub-accounts linked in whole or in part to the same fund at the date the fund is established and any other members of the scheme who subsequent to the establishment of the fund are permitted by us and/or Sanlam Life & Pensions UK Limited, and the existing investors at that time, to have units of their fund allocated to their sub-accounts.

**Lifetime annuity:** an annuity contract purchased from an insurance company of the member's choosing to provide the member with an income for life.

**Master policy:** a policy issued by SLP to the trustee of the scheme in which your account is held. A separate policy sub-account will be opened to hold each sub-account that is to hold insured funds.

**Maximum income:** the maximum annual income which may be paid under capped drawdown pension. This is as determined in accordance with prevailing legislation.

**Maximum number:** the maximum number of insured funds that a member may choose to invest in. The current maximum number of funds is 10.

**Member:** an individual who has been admitted to membership of the scheme.

**Normal minimum pension age:** age 55 unless you have retained a protected pension age.

**Payment date:** the 6th, 14th, 21st or 28th of every month when benefits are paid. If such date is not a working day, payment will be made on the last working day preceding the payment date.

**Pension age:** a date chosen by the member. It is any age on or after age 55 unless you have retained a protected pension age.

**Pension commencement lump sum:** as defined in the *Rules*.

**Pension fund:** the value of your account at any time.

**Pension sharing order:** as defined in the *Rules*.

**Pension year:** a 12-month period during which we can pay capped drawdown pension up to the maximum income from your or a beneficiary sub-account within an arrangement.

**Permitted links:** the types and classes of investment that comply with the *Handbook* requirements relating to investments that can be held in an insured fund.

**Personal fund:** a unit-linked insured fund forming part of the Sanlam Life & Pensions UK Limited's long-term business fund and which is established specifically to enable a member (or group of members) to invest in a variety of permitted links other than only Sanlam Investments and Pensions' Funds.

**Policy sub-account:** a separate sub-account held under the master policy.

**Property:** any real property or properties (commercial properties only) held as an asset of a personal fund.

**Protected pension age:** where an individual retains a right that he or she had on 5 April 2006 to take a pension before the normal minimum pension age.

**Qualifying recognised overseas pension scheme:** as defined in the *Rules*.

**Registered pension scheme:** as defined in the *Rules*.

**Regulator:** the Financial Conduct Authority (FCA) or Prudential Regulation Authority (PRA), or any superseding or successor authority or equivalent supervisory body as the context requires.

**Restoration order:** an order under the Insolvency Act 1986 to restore excessive pension contributions to a bankrupt's estate.

**Rules:** the *Rules* for the time being of the scheme. We may be obliged to amend or replace the *Rules* to comply with changes in legislation or HMRC practice. You can obtain a copy of the *Trust deed* and *Rules* by contacting us.

**Sanlam Financial Services UK Limited ('we' and 'us' and similarly 'our'):** the scheme administrator, also referred to as SFS.

**Sanlam Investments and Pensions:** a trading name of Sanlam Financial Services UK Limited and Sanlam Life & Pensions UK Limited, referred to throughout these terms as SIP.

**Sanlam Investments and Pensions' Funds:** the insured funds as set out in the *Fund choice guide* and does not include any insured fund designated as a personal fund.

**Sanlam Life & Pensions UK Limited ('it' and 'its'):** the practitioner of the scheme appointed by the scheme administrator to

deal with the insured assets of the scheme and is referred to throughout these terms as SLP.

**Scheme administrator:** Sanlam Financial Services UK Limited, who HMRC has been notified is responsible for the administration of the scheme.

**Scheme:** the Sanlam personal retirement scheme. The scheme is set up under trust and Sanlam Trustee Services UK Limited of St Bartholomew's House, Lewins Mead, Bristol BS1 2NH is the trustee. The scheme is a registered pension scheme under Chapter 2, Part 4 of the Finance Act 2004.

**Service charge:** the regular charge deducted by SLP from each insured fund as described in the master policy, and by us from the cash holding of your fund. This charge is subject to review in accordance with condition 6.26.

**Sub-account:** a separate account held under the account.

**Successor:** any person nominated by a beneficiary to receive benefits on their death.

**Tax year:** the period 6 April in one year to 5 April of the next year.

**Trustee fund:** a fund whose assets are held directly by the trustee of the scheme for a member (or group of members).

**Trustee:** Sanlam Trustee Services UK Limited.

**Uncrystallised funds:** the monies held in your uncrystallised sub-accounts.

**Uncrystallised funds pension lump sum (UFPLS):** a cash sum paid out from uncrystallised funds as defined in prevailing legislation.

**Uncrystallised sub-account:** each of the sub-accounts that are listed in the account schedule remaining current at any time and are not providing pension benefits.

**Wrap platform:** an organisation (entirely separate and unassociated with us) that offers custody and online facilities enabling customers to view, manage and switch investments, whether directly or via the financial adviser or other regulated person acting on the customer's behalf.

**You:** the person named in the account schedule. 'Your' has a corresponding meaning. The definition of 'you' and 'your' as set out in these terms includes, where appropriate, a beneficiary.

## 2. Structure of your account

- 2.1 If we accept your application for a OneSIPP you will become a member of the scheme.
- 2.2 Your pension fund is held in one or more sub-accounts depending on its origin and whether it is paying benefits or not.
- 2.3 The insured part of each of these sub-accounts is held in a master policy issued to the trustee of the scheme by SLP under which there are policy sub-accounts that correspond to each sub-account.
- 2.4 Each policy sub-account forms part of the business maintained by SLP for the purpose of its long-term insurance business (as defined in the *Handbook*).
- 2.5 We will hold your assets in a policy sub-account in a personal fund. Any assets that cannot be held in a personal fund will be held directly by the trustee in a trustee fund. If you appoint an investment manager with an external custodian, all of your assets will be held directly by the trustee in a trustee fund.
- 2.6 Benefits under your account will be determined wholly by reference to the value of the policy sub-accounts and/or your trustee fund.
- 2.7 Although you can select the allowable investments of your fund you do not have any legal ownership of them. All references in these terms to assets and liabilities of your OneSIPP are to be construed accordingly. You have a contractual right to the payment of benefits in accordance with the requirements of the *Rules* and these terms, the value of such benefits being calculated by reference to the underlying value of the assets held in your fund at the time any benefits are taken. Your benefits are limited to those assets in your fund and you have no rights or interest over the fund of any other person, except to the extent that we agree at our discretion, to pay benefits on the death of another member.

## 3. Eligibility

- 3.1 If we agree, you may join the scheme if:
- you are resident in the UK;
  - you are an individual on whose behalf a guardian is required to sign;
  - you are working overseas as a Crown servant; or
  - you are the husband, wife or civil partner of a Crown servant working overseas.

Subject to our discretion we may allow you to join the scheme if you are not ordinarily resident in the United Kingdom (UK) provided you are not making contributions to your account.

- 3.2 You or your guardian needs to complete an application form to join the scheme.

### Your account

- 3.3 We will set up an account for you. You will have one or more sub-accounts within your account for each type of contribution paid and transfer received.
- 3.4 Each time you start taking benefits from part of an uncrystallised sub-account that part will be moved to a crystallised sub-account within the same arrangement, or exceptionally, to a new arrangement. Any part of an account that is not used to pay benefits remains as an uncrystallised sub-account.

### Investment mix

- 3.5 When a new sub-account is created, if you are only investing in SIP's funds, you can advise how you would like the monies held under that sub-account to be invested.
- 3.6 If you only invest in SIP's funds you can apply different investment instructions to the crystallised sub-accounts and uncrystallised sub-accounts of your account. This enables you to operate different investment strategies across the sub-accounts.
- 3.7 It is also possible to invest in a model portfolio. You should refer to the *Model portfolio service policy endorsement* for details of this option.

## 4. Payments

- 4.1 We can accept the following payments to the scheme:
- a transfer payment of pension benefits from another registered pension scheme or recognised overseas pension scheme, subject to our consent, governing legislation and HMRC requirements; and
  - a contribution from you, your employer or on your behalf from a third party.

We would not normally accept any contributions paid by you or on your behalf from a third party after your 75th birthday, as these will not be eligible for tax relief, nor from your employer after age 75.

- 4.2 We will receive all payments. Where it is clear that monies are to be invested in insured funds those monies will be passed to SLP to be applied as contributions/transfer payments under the master policy. All other monies will be held in the trustee fund pending the acquisition of other allowable investments. If you appoint an investment manager who uses an external custodian and they buy an asset that must be held in the trustee fund, all assets will be transferred to the trustee fund and your OneSIPP will only hold trustee assets.

### Allocation of units in an insured fund

- 4.3 SLP will allocate units in the insured fund(s) that you have selected for each of the contributions shown in the account schedule. The units allocated will be equal in value to the amount of the payment shown in the account schedule, less product charges. Where you have selected more than one insured fund, units will be allocated in the proportions you have requested.
- 4.4 If a transfer payment is shown in the account schedule, SLP will allocate units in the insured fund(s) that you have selected equal in value to the amount shown in the account schedule, less product charges. Where you have selected more than one fund units will be allocated in the proportions which you have requested.

- 4.5 If you only invest in SIP's funds, you may ask SLP at any time to alter the allocation of units in respect of future contributions, provided it will not cause units of more than our current maximum number of SIP's funds in total to be allocated to any sub-account at any one time.

### Allocation of monies to a trustee fund

- 4.6 We will hold each of the contributions to be invested in the trustee fund, less product charges, pending the acquisition of the assets to be held.
- 4.7 If a transfer payment is to be invested in the trustee fund, we will hold the transfer amount, less product charges, pending the acquisition of the assets to be held.

### Maximum and minimum payments

- 4.8 HMRC do not set any limit on the size of transfer payment we can accept. However, HMRC effectively set limits on the total contributions that you or a third party can make to the scheme in a tax year by limiting the amount of tax relief available.
- 4.9 We set a minimum initial transfer value, minimum initial single contribution and a minimum regular monthly or annual contribution that we will accept. You may make additional contributions to a sub-account at any time before you start taking benefits from that sub-account, although we will not normally accept contributions after you reach age 75. No additional contribution may be made below our minimum as set from time to time. Where more than one transfer payment is made as part of an application, the minimum applies to the total of all those transfer payments. We may change or waive these minimums at our discretion.
- 4.10 If you wish to make regular contributions, you also must pay at outset the minimum single contribution as set from time to time. We can only accept contributions into uncrystallised sub-accounts.

- 4.11 Although contributions may not be paid to a crystallised sub-account, contributions may be made that are immediately designated to a crystallised sub-account.
- 4.12 If you want to start taking benefits as drawdown pension, the investment needs to meet any minimum we may have at that time.

### How and when payments can be made

- 4.13 Transfer payments into your account can be made by BACS, telegraphic transfer or cheque. These payments can be made at any time. For in-specie transfer payments see condition 4.24.
- 4.14 Single or additional contributions from you, your employer or a third party on your behalf can be made by bank transfer or cheque. For in-specie contributions, see condition 4.25.
- 4.15 All regular contributions are made by Direct Debit and can be made monthly, annually or such other frequency as we will accept. The payer can, at any time, reduce or stop the regular contribution being made. We can refuse to accept any regular contribution that is below a minimum set by us.
- 4.16 If a cheque fails to clear after the contribution has been used to buy units in an insured fund(s) or assets for your fund, those units or assets will be sold. You will be charged for any transaction costs that apply for buying and selling any of those units or assets. If the value received for an asset is less than the price paid for it, you will be charged for the difference. If the value received is greater than the price paid, we, and/or SLP, will retain the difference.
- 4.17 We can refuse to accept any further payments to your account.
- 4.18 The amount and (if appropriate) frequency and duration of the contributions to your sub-accounts are as shown in the account schedule.
- 4.19 The amount of transfer payment (if any) is shown in the account schedule.

### Indexation

- 4.20 Where regular contributions are being paid, you can ask for them to automatically increase each year by

a fixed percentage (up to 10%) or in line with the index. The regular contribution will increase each year on the anniversary of the day on which the first regular contribution was made (the 'indexation date').

- 4.21 Each year, before the indexation date, you will be told what the new level of regular contribution will be from the forthcoming indexation date. Unless you tell us to collect a different amount, we will then collect that new level of regular contribution until the following indexation date.
- 4.22 If you choose to have indexation in line with the index, the increase will be calculated by using the figure in the index for the month that is five months before the month in which the indexation date occurs (for example, for an indexation date in June the index figure for the preceding January is used). If the index goes down, the regular payment will stay the same until the index used at the next indexation date rises again above its previous highest level. If the government changes the basis used to calculate the index, another basis may be used that will give similar increases and you will be advised accordingly.
- 4.23 You can ask for the regular contributions to stop increasing automatically at any time.

### In-specie transfers

- 4.24 You can transfer existing assets held as assets of another registered pension scheme to your account subject to our and/or SLP's agreement. You must provide a schedule of the assets to be transferred and you will be advised if these are acceptable.

### In-specie contributions

- 4.25 You can to transfer assets held by you, your employer or a third party to your account subject to our and/or SLP's agreement in lieu of a cash contribution. You must provide a schedule of the assets to be transferred and you will be advised if these are acceptable. Certain procedures must be followed which conform to HMRC requirements, and SLP reserves the right to refuse such contributions for whatever reason.

## Tax relief on contributions

4.26 If you want to make a contribution to your account (or a third party wants to make a contribution on your behalf), and you are entitled to tax relief, basic rate tax relief on that contribution is provided 'at source'. This means that you (or the third party) deduct an amount equal to basic rate tax from that contribution to calculate the 'net' contribution you (or the third party) need to pay us. We will claim the basic rate tax relief from HMRC on your behalf and invest it in to your account when we receive it from HMRC.

Where the level of basic rate tax changes, we will continue to collect the net equivalent of the gross contribution. We will notify you of any change in respect of a Direct Debit agreement prior to the event.

4.27 Where we receive a contribution and so far as the contribution is to be applied to an insured fund, SLP will use the unit prices effective for the working day after we receive the contribution. On receipt of any tax relief on the contribution, SLP will use the unit prices effective for the working day after we receive the tax relief element to allocate units.

4.28 If you pay tax at the higher/additional rate, you can use your self-assessment tax return to claim any further tax relief on your contributions and any contributions made by a third party (other than your employer) on your behalf or ask HMRC to adjust your PAYE code.

4.29 If your employer makes a contribution it must be paid gross.

4.30 Net contributions and basic rate tax relief will be applied to a trustee fund in accordance with condition 4.6 on the date that each element of the contribution is received.

4.31 There is no tax relief on transfer payments, or on any contributions paid after you reach age 75.

## Tax relievable contributions

4.32 In any tax year in which you are a relevant UK individual as defined in the prevailing legislation you can pay and receive tax relief on:

- up to £3,600, or such amount as may be determined by the government from time to time, regardless of your earnings; or

- up to 100% of your relevant UK earnings for that tax year, as defined in the prevailing legislation.

These limits apply to the total contributions made by you or a third party to all your pension plans. They apply to the 'grossed-up' contributions, not the amounts you (or a third party) actually pay. But they do not apply to transfer payments or to any payments made by your employer (although contributions by your employer are taken into account in calculating your pension input amount (see condition 4.34) for the purposes of testing against the annual allowance).

4.33 Where a contribution has been made to your account that is higher than the HMRC limits detailed in condition 4.32, a refund will normally be made to the payer and to HMRC in respect of the tax relief granted. If you have a personal or trustee fund, assets may have to be sold and you will be charged for any consequent transaction costs. We will also make a charge for any administration costs incurred by us.

## Annual allowance

4.34 HMRC set an annual allowance for the total amount of pension savings that can be made into all of your pension plans without a tax penalty.

Transfer payments do not count towards your annual allowance.

Details of the annual allowance can be found in our factsheet *Pension contributions and tax relief* factsheet and at [www.gov.uk](http://www.gov.uk)

## Lifetime allowance

4.35 HMRC set a limit called the lifetime allowance, on the value of the total benefits that you can receive from all of your pension plans without a tax penalty. Details of the lifetime allowance can be found in our factsheet *Pension scheme allowances and tax charges* factsheet and at [www.gov.uk](http://www.gov.uk).

4.36 You must provide any evidence requested to enable us to calculate any lifetime allowance charge. In the absence of satisfactory evidence of your remaining lifetime allowance, we reserve the right to assume that no lifetime allowance remains and calculate and deduct the lifetime

allowance charge from your benefits accordingly.

**Protecting your pension fund from the lifetime allowance charge**

- 4.37 If you have been granted protection from the lifetime allowance charge by HMRC, you must let us know and provide us with evidence of the type of protection that has been granted before we calculate the level of lifetime allowance charge (if any) that applies.
- 4.38 If you do not provide us with acceptable evidence of entitlement to protection we will calculate the lifetime allowance charge based on the standard lifetime allowance that is available at the time benefits are taken.

## 5. Investments

- 5.1 SLP owns the assets held in the insured funds in which your sub-accounts invest. You do not have any legal or beneficial interest in those assets.
- 5.2 Sanlam Trustee Services UK Limited owns the assets held in the trustee fund. You do not have any legal interest in those assets.
- 5.3 HMRC only classes certain investments under an investment regulated pension scheme (as defined in the Finance Act 2004, as amended) as tax exempt and the regulator only permits certain investments to be held under an insured investment regulated pension scheme. Details are in the *Investment guide*.
- 5.4 SLP will determine if an asset is a permitted link and an allowable investment. If it is, it will normally be held in a policy sub-account under the master policy.
- Your fund**
- 5.5 Where your assets are invested using our internal custodian, your fund may comprise both a personal and trustee fund, depending on the assets held. If your assets are invested using an external custodian, your fund will be either a personal or trustee fund but not both.
- 5.6 A personal or trustee fund will not be established where you are only investing in SIP's funds.
- 5.7 Your fund shall be invested in such a manner as determined by us and/or SLP and the investment manager in accordance with the agreement. We and/or SLP always have discretion as to how your fund is operated, how its assets are invested and how such investments are bought and sold.
- 5.8 Where SLP has determined that an asset is not a permitted link and so it cannot be held under the master policy and we determine that it is an allowable investment, it will be held directly by the trustee in the trustee fund. Where your investment manager uses an external custodian, any other assets held in your personal fund will be surrendered and paid to your trustee fund, and your personal fund will be closed.
- 5.9 If you or your investment manager acquire an asset that is not an allowable investment it will be sold and the costs of doing so will be charged to your fund.
- 5.10 Even if an investment is an allowable investment, we and/or SLP can choose at our, and/or SLP's, discretion not to allow it as an asset of your fund for any reason deemed appropriate.
- 5.11 If you, your employer or a third party on your behalf, want to pay a contribution or make a transfer payment to the scheme 'in specie' (i.e. by way of a transfer of assets already held by you, your employer, the third party or another registered pension scheme), you must provide a schedule of all of the assets you want to transfer to the scheme. You will be told if there are any assets on that schedule that are not acceptable to us.
- 5.12 If you are the only investor in a fund, normally units of SIP's funds are held outside of your fund.
- 5.13 More than one member of the scheme may with our and/or SLP's and your agreement, invest in the same fund.
- 5.14 If more than one member of the scheme invests in a fund, any units of SIP's funds held in respect of a member will be held outside of the fund.
- 5.15 You will cease to be an investor on the date of receipt of written notice of:
- your purchasing a lifetime annuity;
  - making of a transfer payment to another registered pension scheme in respect of the benefits accrued under your account; or
  - you extinguishing all of your benefits accrued under your account by taking a lump sum or pension income payment.

- 5.16 All investment transactions must be carried out on a commercial basis.
- 5.17 We on behalf of the trustee and/or SLP will appoint a nominee and custodian of the investments in your fund except where an agreement has been signed with the investment manager that allows them to make such arrangements.
- 5.18 If your trustee fund includes securities, these securities will be held by the trustee through its nominees.
- nominate a new investment manager who is acceptable to us; or
  - elect to move investments into one or more SIP's Funds, we or SLP will, at our or its discretion, without acceptance of any liability on our or its part for the performance or any other aspect of the insured fund(s) designated by us or it:
    - effect a switch from the personal fund; and/or
    - effect the disinvestment of assets held in a trustee fund and the application of the proceeds of that disinvestment be made to a policy sub-account, into a default insured fund(s). The unit price of the default insured fund(s) effective for the working day after the day on which the move is made will be used.

### Investment manager

- 5.19 Where the assets held by your fund are investments (other than property and cash) investor(s) are required to:
- nominate an investment manager for their fund and if that investment manager is acceptable to us and/or SLP, we will duly appoint that investment manager to manage your fund on our or SLP's behalf subject to the terms of the agreement; or
  - where you are the sole investor, you may elect, subject to our approval, to act as the investment manager and we or SLP will duly appoint you to manage your fund on our and/or SLP's behalf subject to the terms of the agreement.
- 5.20 Where you act as the investment manager you may appoint an appropriately authorised individual or firm to advise you on how your fund should be invested.
- 5.21 Any appointment of an investment manager for your fund will be on such terms as we may agree with that investment manager and will be subject to our approval.
- 5.22 Where a person is appointed as an investment manager, the duties and rights of the investment manager are carried out or exercised by the investment manager as our, and/or, SLP's agent.
- 5.23 We reserve the right to remove the investment manager at any time if in our opinion the investment manager is not managing the investments of the fund or is not managing them in accordance with the terms of the agreement.
- 5.24 In the event that the investor(s) does not, within seven days of any such removal referred to above:
- 5.25 The investment manager will, in accordance with the agreement, be responsible for:
- making investments for your fund in accordance with the scope of its appointment and the investment strategy you have agreed with us and the investment manager; and
  - carrying out transactions in accordance with the operating requirements of the agreement.
- 5.26 We and/or SLP reserve the right to instruct the investment manager or, at our or its sole discretion, any stockbroker or unit trust manager immediately to dispose of any investment held as an asset of a fund which does not conform to the investment objectives and risk profile of the fund, and for insured funds the provisions of the master policy, or which is not an allowable investment or which is considered inappropriate for the fund. Our and/or SLP's decision about whether any investment does, or does not, so conform, shall be final and binding.
- 5.27 The investment manager may not make any direct investment in property or interest in land, or enter into any borrowing arrangement associated with the direct purchase of property or an interest in land. Neither may a loan be made from the fund, without our express consent and subject to any requirements we may specify.
- 5.28 All trades will be settled from the cash account held for your fund.

5.29 If your fund is to be managed by an investment manager who has been approved by us to make custodian and nominee arrangements, cash held in your fund will be transferred to and received from that investment manager in accordance with their instructions, subject to there being sufficient cash in the fund to meet any ongoing costs and charges.

If your fund is invested through a wrap platform that has been approved by us to make custodian and nominee arrangements, cash held in your fund will normally be transferred to and received from that wrap platform in accordance with your instructions to us.

5.30 We and/or SLP do not accept any liability for any loss caused by the investment manager, his nominee, banker or custodian or anyone else providing related services.

5.31 We and/or SLP do not accept any liability for any tax charges should the member, financial adviser or investment manager invest in assets that are deemed to be taxable property by HMRC.

5.32 We and/or SLP will not act as investment manager for your fund or provide investment advice.

#### Acting as your own investment manager

5.33 Conditions 5.18 to 5.32 also apply where you are the appointed investment manager.

5.34 You must appoint an execution-only stockbroker subject to our, and/or SLP's approval and pass your instructions directly onto the chosen stockbroker who must inform us immediately by fax or email of any trade made in respect of your fund and send the contract notes to us.

5.35 If you have not appointed a stockbroker, a stockbroker of our and/or SLP's choice will be appointed on an execution-only basis to effect the trading of the investments in your fund. The chosen stockbroker will be a member of the London Stock Exchange and NEX Exchange and be authorised and regulated by the regulator.

5.36 When you are considering buying an investment you must first make sure that you have enough cash in your fund to settle the trade. If there is insufficient cash in your fund we

and/or SLP reserve the right to sell the asset. Any charges that arise, including charges for the additional administration, will be deducted from your cash holdings.

#### Cash holdings

5.37 All monies are treated as client money for the purposes of the Handbook and are initially deposited in a designated client money bank account, being a corporate account of ours. This will be held with Barclays Bank Plc and JP Morgan unless it is decided to use another authorised bank. No interest will be paid on money held in this account. We are the authorised signatory for this bank account. Monies payable to SLP will be transferred to it within three days of receipt by us. Monies due to be reinvested in assets held in a trustee fund will be held in a designated nominee account held on behalf of Sanlam Trustee Services UK Limited pending investment.

5.38 A record will be kept of your cash holdings each day for your fund. The interest we earn as an institutional investor fluctuates from day to day and from this, we will pay interest to your cash holdings. The interest will accrue daily and be credited to your fund on a quarterly basis. We will retain any excess interest earned over that credited to your fund. The interest rates and any interest we retain are available on request.

5.39 Your cash holdings will be held in your personal fund unless you only have a trustee fund in which case the cash will be held in your trustee fund.

5.40 Your cash holding will be debited to:

- buy assets for your fund;
- transfer cash to your investment manager;
- provide a lump sum, drawdown pension, capped drawdown, UFPLS, or the purchase price of a lifetime annuity;
- pay a transfer payment to another registered pension scheme or recognised overseas pension scheme (including a transfer to comply with a pension sharing order or a restoration order);
- facilitate the payment of adviser fees; and,

- collect product charges, pay expenses and any loan repayments in connection with the acquisition, ongoing management, maintenance and sale of property.

The above list is not exhaustive.

5.41 Expenses include, but are not limited to, all those incurred in respect of:

- buying, managing, maintaining and selling your fund's assets and interests;
- arranging borrowing, providing loans and other facilities for your fund; and
- our and SLP's charges.

Such expenses may be incurred by us, SLP or the investment manager. We and/or SLP reserve the right to obtain such independent advice or take whatever other action is necessary to ensure that our or its fiduciary duties and statutory obligations in respect of your fund are met.

5.42 Money will be added to your fund cash holding when:

- the proceeds of the sale of an asset are received;
- income from your assets is received; or
- a contribution, transfer or tax payment that is to be allocated to your fund is received.

5.43 You agree to ensure that your fund has sufficient cash at all times to meet any charges, costs or liabilities that we and/or SLP are entitled to charge to your fund. If your fund does exceptionally comprise a negative cash balance for any reason, it will be required to be put back into a credit position as soon as possible, and until such time, we and/or SLP will charge interest on a basis determined by us or it. Any such interest charged will be a liability of your fund. If any such negative cash balance gives rise to a tax charge, this will be recovered from your fund, or failing that, from you personally.

The prevailing rates of interest are available on request and may also be published on our website. In the unlikely event of our making a significant change to the basis of calculating negative balance interest

we will give one month's prior written notification to all investors and the investment manager.

### Making changes to your investments

5.44 If the trustee fund acquires an asset but there is insufficient cash held by the trustee fund to make the purchase, units in the personal fund will be cancelled and a part surrender made of the policy sub-account, the proceeds of which will be held as cash in the trustee fund.

5.45 If the personal fund acquires an asset and there is insufficient cash in the personal fund to make the purchase, but there is cash held in the trustee fund, the trustee will pay that cash as a contribution to the policy sub-account to be applied to the personal fund.

5.46 We reserve the right at our discretion to move cash balances, whether positive or negative, between the personal fund and the trustee fund.

### Property

5.47 Property will be held by SLP in an insured fund.

5.48 If you wish to hold property within your OneSIPP, the external custody option will not be available to you. You will still be able to invest using our internal custody facility, and you can self-invest using an appointed stockbroker.

5.49 If the purchase is agreed, your fund can normally invest in property situated in England, Wales or Scotland. To begin the process you must complete a commercial property application form. Details of our requirements are in the *Guide to commercial property*.

5.50 You and one or more members of the scheme with our agreement may be allowed to invest in the same property. This may be allowed by appropriating a part of the value of a property to more than one fund or as investors to a fund that holds the whole property.

5.51 You may, with SLP's agreement, be allowed to invest in a property that will be jointly owned with it by you in your personal capacity or by a third party.

- 5.52 Any property purchased from you, or from anyone connected with you, must be purchased on commercial terms, as notified in writing by an independent qualified surveyor who is a member of the Royal Institution of Chartered Surveyors.
- 5.53 SLP may set a minimum purchase price, below which value it will not purchase a property. It also sets the criteria for the type of property it will purchase, but always reserves the right to refuse at any time before completion to purchase a property for any reason.
- 5.54 SLP reserves the right to set an upper age limit for members who wish to hold property as an asset of a fund.
- 5.55 SLP reserves the right to sell any property on the advice or recommendation of an independent suitably qualified person, and the cost of any such advice or recommendation will be charged to your fund.
- 5.56 The types of property transaction for which a charge may be made are set out in the *Guide to commercial property*. The charges that apply to property investment are contained in the *Guide to charges*. The charges and rates of interest will be in accordance with a scale published from time to time. SLP reserves the right to vary the descriptions, charges and rates in the scale. One month's prior written notification of any proposed variation will be given to all investors and to the investment manager. The charges and interest will be deducted from your fund unless otherwise discharged by a separate payment. These provisions are solely for determining the charges that may apply and interest that may be charged, and do not give any indication as to what assets are acceptable to it. These charges will be collected from your cash holding in your fund.
- 5.57 If the purchase of the property does not go ahead for any reason, the initial property charge will not be refunded and your fund will be charged for all the expenses incurred in respect of the proposed purchase, including but not limited to solicitor's costs and the cost of searches, surveyor's fees and environmental reports.
- 5.58 We can set up a borrowing arrangement to help finance the purchase of a property on your request. Details of the requirements that apply are contained in the *Guide to commercial property*.
- 5.59 All borrowing must be:
- within the limits set out in section 182 of the Finance Act 2004;
  - on commercial terms; and
  - repaid in full by the time that the property is sold.
- 5.60 If a property is purchased and then let, the lease must meet the conditions specified in the *Guide to commercial property*.
- 5.61 If your fund is invested in property and you die, the property may have to be sold in order to pay the death benefits. If your fund is invested in property and a pension sharing order or restoration order is received, the property may have to be sold to comply with the order.
- 5.62 Your fund will be charged for the costs involved in selling the property, including settling any outstanding loan on the property.
- 5.63 You must inform SLP if any value-added tax (VAT) is payable on the purchase price. If necessary, SLP may arrange for the financing of the VAT, and an additional charge will apply in such circumstances. Details of the charges that apply are contained in the *Guide to charges*.
- 5.64 Further details are set out in the *Guide to commercial property* that is available on request or on our website.

#### **Sanlam Investments and Pensions' Funds**

- 5.65 A personal or trustee fund will not be set up where initially you only require to hold units of SIP funds. However, if at a future date you decide to diversify your portfolio by, for example, directly holding equities or property, a personal fund will be set up and sufficient units of your SIP funds will be surrendered and transferred to be held as cash in your fund. You may be asked to complete an application to establish your fund at that stage.
- 5.66 If your fund is investing in other assets, for example direct equities or property, then any units in SIP funds will normally be held outside of your fund.

- 5.67 Where Sanlam Life & Pensions UK Limited uses funds of an external investment manager, it buys units in the external investment manager's fund or use the external investment manager to invest the assets of the insured fund. You do not invest directly in an external investment manager's fund.
- 5.68 Full details of all the available SIP's funds are set out in the *Fund choice guide*.
- 5.69 SLP always has discretion over how the assets of each insured fund are invested, subject to investment in accordance with the insured fund's declared investment objectives. It retains the right to review the investment objectives at any time subject to giving you one month's written notice of any proposed change.
- 5.70 The maximum number of SIP funds you can link to under any sub-account will be as determined by us from time to time.
- 5.71 SLP has the right to close an existing insured fund to new money, to wind up an existing insured fund or to impose other investment restrictions.
- 5.72 SLP may open new insured funds. It has the right to split, combine or close existing insured funds if it thinks this is appropriate. It will normally give you at least one month's written notice of any closure or combination of insured funds, giving a reason and inviting you to choose an alternative insured fund(s) to be effective on or prior to the date for combination or closure. You may receive less notice (or, in exceptional circumstances, no notice) if an external investment manager closes, merges or withdraws their funds. If you do not advise your choice of alternative insured fund(s) prior to the date for combination or closure then:
- In the case of a combination of insured funds, units in the new combined insured fund equivalent to the value of units in your old insured fund on the date of combination will be allocated to your policy sub-account.
  - In the case of a closure (or a withdrawal) of an insured fund, units in an insured fund which closely reflects the declared investment objectives of the
- closed insured fund, equivalent to the value of units in the closed insured fund on the date of closure will be allocated to your sub-account without acceptance of any liability on the part of SLP for the performance or any other aspect of the insured fund(s) designated by it. If, exceptionally, units of the insured fund are held in your fund the value of those units on the date of closure will be added to the cash holding in your fund.
- 5.73 If an insured fund is being closed to new business, SLP will continue to invest any existing money or regular contributions in that insured fund but no additional one-off contributions can be invested in that insured fund.
- 5.74 When an insured fund linked to an external investment manager's fund is valued, the valuation will take into account the external investment manager's charges. Some external investment managers may also pay some fees and expenses out of the assets of these funds. These fees and expenses are reflected in the external investment manager's unit prices and therefore in the unit prices set for the insured fund.
- 5.75 Each insured fund is divided into units. The value of SIP funds is determined on a fair and equitable basis in accordance the provisions of the master policy.
- 5.76 If you are only investing in SIP funds the annual administration charge will be recovered by cancelling units of the SIP funds.
- 5.77 SLP has the right to increase its administration charges to reflect increases in its overall costs or changes in the assumptions that it makes. It may also increase the charges on an insured fund managed by an external investment manager to reflect increases in the costs in running such an insured fund.
- 5.78 If you do not have a personal fund you may request that units already allocated to your policy sub-account are cancelled and are instead allocated units of a different insured fund(s). SLP will accept your request and put it into effect provided that units in no more than our maximum number of insured funds will remain allocated to any policy sub-account after the change. It will not normally

- charge for a switch between SIP funds but reserves the right to do so. It also reserves the right to charge if the switch involves an insured fund linked to the fund of an external investment manager and that external investment manager charges it for the switch.
- 5.79 If you have a personal fund and, exceptionally, SIP funds are held within the personal fund, your investment manager or you if you are acting as your own investment manager must instruct SLP to either sell or purchase units of SIP's funds as appropriate. The transaction charge for these transactions is currently waived, but we reserve the right to reintroduce such a charge.
- 5.80 Subject to conditions 5.79 and 5.85, cancellation and allocation of units will be carried out using the unit prices effective for the working day after receipt of your or your investment manager's instructions in an acceptable form.
- 5.81 SLP reserves the right to defer the cancellation of units of any SIP fund having a real property content where it thinks this is necessary. Units will then be cancelled at the price ruling at the end of the deferral period. Payment of a benefit due on death will not normally be delayed for such a reason except where the fund is a personal fund. Nor will the payment of your pension benefits, where these are due to be paid from the chosen pension date indicated on your original application form, be delayed, except where the fund is a personal fund.
- 5.82 If dealings in any share, unit trust or other asset forming the whole or any part of a SIP fund are suspended, SLP reserves the right for the purposes of valuing that insured fund either:
- to value the suspended share, unit trust or other asset at zero when calculating the unit prices in respect of it; or
  - to defer valuing the insured fund and calculating unit prices in respect of it until dealings in the suspended share, unit trust or other asset are restarted. The value of units in the insured fund will then be calculated as at the end of the deferral period.
- 5.83 Either of these rights will be exercised having due regard to all account holders' interests and the proportion of the value of the insured fund's assets represented by the suspended share, unit trust or other asset immediately prior to the suspension of dealings.
- 5.84 If dealings in any share, unit trust or other asset held within a trustee fund is suspended, we reserve the right for the purposes of valuing that trustee fund either:
- to value the suspended share, unit trust or other asset at zero when calculating the value of the trustee fund; or
  - to defer valuing the trustee fund until dealings in the suspended share, unit trust or other asset are restarted.
- If this will delay payment of any benefit under your account you will be notified.
- 5.85 If valuing an insured fund in accordance with condition 5.82 above is deferred, any allocation or cancellation of units in the insured fund which would otherwise have taken effect after the date on which the insured fund was last valued will also be deferred. If this will delay payment of any benefit under your account, you will be notified. The appropriate allocation or cancellation of units will be carried out when the insured fund is next valued, at the unit price then calculated.
- 5.86 SLP reserves the right to defer cancellation of units in any SIP fund(s) in circumstances that in its opinion are periods of market volatility and/or in circumstances where you make a request under either condition 5.78 or 5.81 in relation to units of a particular SIP fund(s) within 10 days of a previous request under either condition 5.78 or 5.81 in relation to that SIP fund(s). Payment of a benefit due on death will not be delayed for such a reason. Nor will the payment of your pension benefits, where these are due to be paid from the chosen pension date indicated on your original application form, be delayed.
- 5.87 Please refer to the *Model Portfolio Service policy endorsement* for further information relating to the investments available under the Model Portfolio Service.

## 6. Product charges

### Administration charges

- 6.1 Details of the actual product charges are set out in the *Guide to charges*.
- 6.2 Any initial charges are deducted from the initial contributions and/or transfer payments. The initial contribution and/or transfer payment are those included in the application to establish your account.
- 6.3 A regular charge is made for the ongoing administration of your account that is collected on the last working day in each calendar month by cancelling units of funds held in the respective sub-accounts. If you have a personal and/or trustee fund these charges will be collected from the cash holding in your personal and/or trustee fund.
- 6.4 A charge is made whenever, after the initial contributions and transfers have been made, you subsequently make a single contribution, increase the amount of your regular contribution or arrange a further transfer. Where more than one such transaction is included within one application only one charge is made.
- 6.5 A transfer-in charge is made to cover the additional administration and is made for each transfer from a different registered pension scheme or recognised overseas pension scheme. If there is more than one transfer from the same registered pension scheme included in the same application, such as an uncrystallised fund and a crystallised fund in respect of drawdown pension, then only one charge will be made.
- 6.6 If an 'in-specie' transfer or 'in-specie' contribution of investments or property is made, a charge is made to cover the additional administration involved. We will collect the charge from the cash holding in your fund.
- 6.7 When drawdown pension is first established from your account, or additional funds are added to your drawdown pension or capped drawdown pension, a charge may be made. We may also make a charge for administering your drawdown pension. Details of the charges that apply are contained in the *Guide to charges*.
- 6.8 Any regular charge for administering drawdown pension and capped drawdown is recovered on the last working day of each calendar month by cancelling units of insured funds and/or by making a deduction from the trustee fund in the respective sub-accounts. Any such charge will be spread over the sub-accounts from which drawdown pension is being taken.
- 6.9 A charge is made each time the maximum income is reviewed. Details of the charge and when this will arise are contained in the *Guide to charges*.
- 6.10 A charge is made where a late response to a request for information gives rise to additional administration and letters have to be issued to you and/or your appointed investment manager. A charge will also be made for each letter written in respect of an overdrawn fund.

### Payments made to your financial adviser

- 6.11 Fees payable to your financial adviser for their advice and services may be facilitated from your OneSIPP (known as adviser fees) as described in our *Client guide to adviser charging*. The rate or level of such fees will be as you have agreed and indicated in the adviser fee instruction that we receive from you.
- 6.12 Any instruction from you to increase, stop or vary adviser fees will be subject to the conditions described in the adviser fee instruction.
- 6.13 If your financial adviser offers the Model Portfolio Service and you have selected this investment service option, an investment manager fee is payable on a quarterly or monthly basis. This will be disclosed in advance by your financial adviser. Further information on the Model Portfolio Service is available in the *Model Portfolio Service policy endorsement*. If you have selected

this investment service option, you will have been given this endorsement. Alternatively, it is available on request.

- 6.14 Any payments due to a wrap platform provider may be paid directly from your fund.

### Securities and collective investment charges

- 6.15 The fund investment administration charges for non-property assets depend on whether your fund is managed by an investment manager from our list or otherwise. All charges are collected from the cash holding in your fund. Details of the charges levied are contained in the *Guide to charges*.

### Property charges

- 6.16 Where it is agreed to purchase a property as an asset of your fund, or your fund holds a property as an asset, charges are made to cover administration costs which will be deducted from the cash holding in your fund. Details of when charges are levied are contained in the *Guide to charges*.
- 6.17 The charges referred to in condition 6.20 are for straightforward transactions involving only one investor. If a transaction involves more than one investor, an in-specie contribution, shared ownership of a property or in our view or that of SLP is a more complex transaction, the level of the additional charges will be confirmed to you. Similarly, if during a transaction it becomes evident that there are complexities beyond those normally associated with a property purchase, we or SLP reserve the right to make an additional charge on giving you prior notice.
- 6.18 If you wish to undertake any structural work to a property, that is acceptable to us and/or SLP, we, or it, will agree with you charges for the additional administration that it will involve.
- 6.19 We or SLP reserve the right to vary or add to the activities described above and the charges relating to those activities on one month's written notification being given to all investors and to the investment manager.

- 6.20 Deductions are also made from your fund in respect of all expenses, costs, and taxes that are incurred in connection with the acquisition, managing, maintaining and selling of property as an asset of your fund, including where the transaction does not proceed for any reason. Details of such deductions are contained in the *Guide to commercial property* and the *Guide to charges*.

### The current product charges

- 6.21 The current product charges are set out in the *Guide to charges*, which is available on request or at [www.sanlam.co.uk](http://www.sanlam.co.uk)
- 6.22 The product charges will be reviewed from time to time so that the proportion of the maintenance costs and other financial margins they were designed to meet are maintained at a consistent level. The review of product charges and events relating to your fund is so that they continue to reflect the cost of administering these arrangements. We currently meet the cost of value-added tax (VAT) on product charges relating to the administration of a trustee fund, but we reserve the right to levy VAT on such charges in the future and debit your trustee fund accordingly, in order to reflect the overall cost of ongoing administration.
- 6.23 We also review whether to make a charge for switching between SIP funds.
- 6.24 Our charges as set out in these terms, may be subject to change due to a number of reasons. Therefore, we reserve the right to vary our charges where we believe it is necessary, fair and reasonable to do so. This may include, for example:
- changes to the way or manner in which we provide our services (including changes in technology) or to reflect any changes in the cost of providing our services;
  - to reflect market conditions and general good industry practice;
  - to take account of changes to the law and/or regulation and/or codes of practice and/or the way in which we are regulated; or
  - to take account of a decision by any court, ombudsman, regulator or similar.

- 6.25 Where we decide to vary our charges in the manner described above, we will only do so where we have provided you with a reasonable period of advance notice. We would anticipate that in most cases we would communicate any changes to our charges in writing to you no less than one calendar month before those changes take effect. However, such advance notice may not be possible where a charge or levy is imposed as a consequence of legal or regulatory change. You should note that we will not give advance notice of any increase in charges where such increase is, in our reasonable opinion, likely to result in an increase of a minimum amount. For these purposes we consider a minimum amount to be £10.
- 6.26 If we or SLP are unable to collect a charge or to recover any costs from the sub-accounts under your account, you will be billed directly for the payment.
- 6.27 If you have a personal or trustee fund, you or your investment manager must ensure that there is sufficient cash to pay the charges as and when they arise.
- 6.28 If at any time your fund has insufficient cash to cover all charges, we reserve the right to sell assets held in your fund to meet these and future charges. We also reserve the right to close your fund if the total asset value is insufficient to meet all charges payable, in which case you will be billed directly for payment.
- 6.30 Any product charge that is taken from a sub-account where invested in an insured fund is collected by the cancellation of units of funds held by policy sub-account, in which the sub-account is invested, under the terms of the master policy. Where the product charge is taken from a trustee fund in respect of that sub-account, we deduct it from the respective part of the trustee fund. Where it is a flat charge or a minimum charge, the charge, where appropriate, is split proportionately between SIP funds and the personal and/or trustee fund. The proportion is calculated on the values of SIP's funds, personal fund and trustee fund at the date the charge is taken.
- 6.31 If the product charge relates to a specific investment of your fund (such as a transaction charge or initial property charge), the charge will be deducted proportionately from the personal fund in accordance with the master policy and/or the trustee fund.

### Apportionment of the product charges

- 6.29 Where a product charge is to be based on a contribution or transfer made to your account (such as an initial administration charge or transfer in charge), and the payment is to be applied to SIP funds or to a personal fund, the charge will be deducted by SLP under the terms of the master policy. If the contribution or transfer is to be applied to the trustee fund, the charge will be deducted by us. Where a product charge is a flat charge or a minimum charge, the charge where appropriate is split proportionately between the payment that is made to SIP funds, and to the personal and/or trustee fund.

## 7. Benefits at pension age

- 7.1 You can start benefits from all (or part) of your uncrystallised sub-accounts from a date you choose provided that it is permitted by the *Rules*. The part of your fund from which you start benefits is designated to a crystallised sub-account. Under your account you can have crystallised sub-accounts and uncrystallised sub-accounts.
- You may exercise any of the options available by making a request to which we agree and in a form acceptable to us before your benefits commence.
- 7.2 You will be required to return your account documents and provide acceptable proof of your age and identity and, if applicable, of the age and identity of your spouse or civil partner or beneficiary before we pay any benefits.

### Your pension age

- 7.3 You are not allowed to start benefits earlier than the normal minimum pension age unless:
- you have a protected pension age and you satisfy the conditions in the *Rules*; or
  - you have provided:
  - evidence that you have ceased to carry on your occupation; and
  - medical evidence that is satisfactory to us, that you are and will continue to be, incapable of carrying out your occupation because of physical or mental impairment.

### Uncrystallised funds pension lump sum (UFPLS)

- 7.4 Subject to our requirements being met, you can take the total of all your sub-accounts as a one-off cash sum, 25% of which will be tax free and the balance will be subject to income tax at your own personal rate, which is known as an uncrystallised funds pension lump sum (UFPLS). All units held in SIP

insured funds must be cancelled and any assets held in a personal or trustee fund must be encashed before the UFPLS can be paid. Payment of UFPLS from only some of your sub-accounts is not available.

A UFPLS cannot be paid if any sub-account from which the proceeds are to be paid represent a disqualifying pension credit.

You must have some lifetime allowance available. Any excess lump sum paid over your available lifetime allowance will be subject to a lifetime allowance charge as described in condition 4.36.

### Pension commencement lump sum

- 7.5 You can take part of each crystallised sub-account as a pension commencement lump sum when you start drawdown pension, add uncrystallised funds to capped drawdown pension or buy a lifetime annuity unless:
- the crystallised arrangement is from a transfer payment of a pension fund from which flexi-access or capped drawdown pension has already started from another scheme; or
  - the sub-account represents a disqualifying pension credit.
- 7.6 The maximum pension commencement lump sum is normally 25% of the value of the crystallised sub-account (excluding any disqualifying pension credit), but a higher amount may be available if you have protection.
- 7.7 If you are only invested in SIP's funds and do not give us any instructions to the contrary, the pension commencement lump sum is provided by the cancellation of units proportionately from each of the SIP insured funds in which you hold units. If you have a personal and/or trustee fund, you or your investment manager must ensure that there is sufficient cash available to make the payment.

## Drawdown pension and capped drawdown pension

- 7.8 You may request drawdown pension or add uncrystallised funds to capped drawdown pension. Both are subject to our minimum fund value from time to time, the requirements of the *Rules*, these terms, and for insured funds, the provisions of the master policy. If more than one member invests in a fund that holds property then any pension income payments may not be made from the fund. In this case, subject to our requirements, a new personal fund would be set up for the member wishing to take benefits.
- 7.9 You can take drawdown pension from each crystallised sub-account up to the value of that sub-account. You can ask for your gross drawdown pension income to be any amount above our minimum at the time. Subject to our agreement the same income basis does not need to apply to all of your crystallised sub-accounts.
- 7.10 You can increase, decrease, stop or restart your pension income payments, subject to our minimum amount. You can also ask for additional one-off payments to be paid on a selected payment date and subject to seven working days' notice prior to that date. Changes to the level of payments made from capped drawdown pension is subject to the requirement that within a pension year the total payments made to you must not exceed the maximum income for the arrangement. If you want to change the level of your pension income you must give at least seven working days' notice in writing before the next payment date.
- 7.11 We will put your request for an additional one-off payment into effect on either the working day following the day we receive your request in a form acceptable to us and subject to our required notice period, or the date you select, whichever is later.
- 7.12 Where regular payments are made we will pay pension income in monthly instalments unless you ask us to pay it every three months, half yearly or annually.
- 7.13 Any payments will be paid on one of four payment dates in each month, at the frequency requested.
- 7.14 For insured funds a number of units equal in value to the value of each payment will be cancelled. The number of units cancelled will be calculated using the unit prices which apply for the date on which it is necessary to cancel units to enable each payment to be made on the payment date.
- 7.15 If you have a personal and/or trustee fund you or your investment manager has to ensure that there is sufficient cash to pay the capped or flexi-access drawdown pension payments together with the charges detailed in conditions 6.8 and 6.9 as and when they arise (but not to the extent that this affects the value of your uncrystallised sub-accounts). If there is insufficient cash in your fund to make pension income payments then the investment manager will be required to realise assets to provide sufficient cash.
- 7.16 If you are only investing in SIP funds and if you so request, your pension income will be paid by the cancellation of units of those SIP funds in which the crystallised sub-account is invested and which are specified by you, in the proportions specified by you. The same choice of SIP funds and specified proportions will be applied to any further sub-accounts from which you take capped or flexi-access drawdown pension, unless you request otherwise.
- 7.17 Once any request for payment has been put into effect, this will continue, subject to the requirements of the *Rules*, these terms and for insured funds, the provisions of the master policy, at the level and frequency agreed with you from time to time and subject to your crystallised sub-accounts having sufficient value to meet those payments, until such time as you elect to buy a lifetime annuity, your crystallised sub-accounts are extinguished, or you die.
- 7.18 The limits set on your crystallised sub-accounts that are providing capped drawdown pension will be reviewed in accordance with the time limits as inherited from the previous pension provider and as detailed in the prevailing legislation. You may request a review of the maximum income level available to you at any time and a charge will be made for each review.

## Buying a lifetime annuity

- 7.19 You can ask to use all (or part) of your uncrystallised sub-accounts to buy a lifetime annuity, or use all (or part) of your crystallised sub-account to buy a lifetime annuity instead of continuing capped or flexi-access drawdown pension.
- 7.20 Instead of applying your pension fund to provide only a pension for yourself, you may request that part of it is used to provide a pension payable to one or more of your beneficiaries if they survive you.
- 7.21 You can buy the lifetime annuity from SLP or from any other insurance company. You can choose any type of lifetime annuity that is allowed by the *Rules*. Although SLP may not offer all the lifetime annuity options which may be available from another insurance company.
- 7.22 If you choose to buy a lifetime annuity from SLP and you are invested in insured funds:
- 14 days before the date your lifetime annuity is due to start and if you invest only in SIP funds; or
  - such longer period according to condition 12.21 and if you invest in a personal fund,
- all of the units remaining allocated to your sub-account will be cancelled. Units of an insured fund which is a cash fund designated for the purpose (your cash fund) will be allocated instead.
- The unit prices effective for that date of cancellation will be used. The unit price of your cash fund will not alter after these units have been allocated.
- 7.23 If the sub-account invests in a trustee fund, and is to be used to purchase a lifetime annuity, the amount required to purchase the lifetime annuity will be transferred to SLP and be used to purchase units in the cash fund under the policy sub-account.
- 7.24 Once units for your cash fund have been allocated you will not be able to change this insured fund as described in condition 5.78 or make a request which would alter the date on which your pension would become payable.
- 7.25 The amount of the lifetime annuity payable by SLP will be calculated in accordance with the provisions of the master policy.
- 7.26 Your pension may be payable monthly, quarterly or annually in advance or in arrears throughout your lifetime. If you die without making provision for any beneficiaries, the last payment will be the last one that falls due before your death unless any payments are due under a guarantee, in which case payments will continue to be paid until the end of the guaranteed period in accordance with the provisions set out in the *Rules*.
- 7.27 If you die after your lifetime annuity commences and it was arranged that it would continue to be paid to your beneficiary on your death, a beneficiary's annuity will continue to be payable to that person for the rest of his or her life.
- 7.28 Unless you use all of the crystallised sub-accounts under an arrangement to buy a lifetime annuity the maximum income that applies to the remaining crystallised sub-accounts in capped drawdown pension under the arrangement will be recalculated. The new limit will apply to the arrangement from the start of its next pension year.
- 7.29 There may be other options available to you when you take your pension benefits. We will notify you of these closer to the time.

## Serious ill-health lump sum

- 7.30 If evidence from a registered medical practitioner is received stating that you are expected to live for less than one year, you may have the option of taking the proceeds of any uncrystallised sub-accounts as a lump sum. The lump sum must satisfy the conditions set out in the *Rules* and will be subject to tax if paid after you reach age 75, or if the lump sum payment exceeds the lifetime allowance (see condition 7.31).

## Pension sharing order

- 7.31 If we use any part of the crystallised sub-accounts under an arrangement to pay a transfer value for your ex-spouse or ex-civil partner under a pension sharing order, the maximum

income under any capped drawdown pension that applies to that arrangement will be recalculated on the transfer date after the transfer value is deducted. The new limit will apply to the arrangement from the start of its next pension year.

### **Lifetime allowance charge**

- 7.32 If your benefits exceed the lifetime allowance, a lifetime allowance charge is payable on the excess over the lifetime allowance as set out in condition 4.36.

### **A retained right to a lump sum of more than 25% and/or a protected pension age**

- 7.33 In order to retain the right to a pension commencement lump sum of greater than 25% of your pension fund value or a protected pension age you must take all benefits from the scheme on the same day.
- 7.34 If you have a protected pension age you may also be subject to a reduced lifetime allowance. Any lifetime allowance charge will be based on the reduced lifetime allowance figure.
- 7.35 In order to qualify for the right to a pension commencement lump sum of greater than 25% of your pension fund value or a protected pension age, your initial transfer into the scheme must have met HMRC criteria. Apart from in a very limited number of circumstances, you will lose the right to these types of protection if you subsequently transfer your uncrystallised sub-accounts out of the scheme.

## 8. Death benefits

8.1 In the event of your death, the death benefit will be paid.

8.2 The death benefit will, subject to our discretion, be paid either in the form of a lump sum or used to provide an income for a beneficiary.

8.3 For SIP funds, the value of the death benefit will be calculated using the number of units allocated to your account and the unit prices effective for the working day after written notice of your death is received. Where all or part of your account is invested in a personal and/or trustee fund, the value of the death benefit will be calculated using the unit prices of the personal fund effective for the working day after sufficient assets of the personal fund have been realised, or the value of your share of the assets of the trustee fund, as appropriate.

8.4 Where assets are held in a personal and/or trustee fund, we will not normally realise the assets until the beneficiaries have been determined. Where the beneficiary has the option to take drawdown pension, a period of notice will be given in which the beneficiary must advise the format in which they wish to take benefits. We will realise assets, if appropriate, on receipt of the details of the beneficiary's chosen option or on the expiry of notice given to the beneficiary. However, the right is retained to sell assets of a personal or trustee fund at any time to provide benefits for a beneficiary unless a request has been received not to do so. We will only accept such a request provided the fund is being managed in a manner acceptable to us and/or SLP and does not delay the payment of benefits in accordance with HMRC requirements and other pensions regulation.

8.5 Certain documents will be required before paying any benefit. These include your account documents, proof of your age, identity and death, and, where necessary, proof of the age and identity of your beneficiary(ies).

### Lump sum death benefit

8.6 The scheme administrator will exercise its discretion to decide who should receive any lump sum death benefit, and in what proportion, from the list of potential beneficiaries permitted by the *Rules*. We request that you make a nomination in writing as to who you would like us to consider as a potential beneficiary of any lump sum death benefit and their relationship to you. However, we are not bound to pay in accordance with any nomination.

8.7 Any lump sum death benefit paid under your account on your death before reaching age 75 will normally be paid tax free if it is paid within two years of notification of your date of death. Uncrystallised funds will be tested against your available lifetime allowance and a lifetime allowance charge of 55% applies to any lump sum death benefit that exceeds this limit. Where applicable, your legal personal representative(s) is responsible for reporting the payment of a lump sum death benefit to HMRC. The recipient of the lump sum death benefit will be liable for any tax charge due.

8.8 Any lump sum death benefit paid on or after age 75 will already have been tested against the lifetime allowance and so is not tested again. However, this will be subject to a tax charge, the amount of which we will advise and deduct before the lump sum is paid.

8.9 If on your death after age 75, you have no surviving dependants but you nominated a charity to receive a lump sum death benefit, all of the assets held under any of your crystallised sub-accounts will be realised and usually the proceeds (less any charges) will be paid to your nominated charity free of tax.

8.10 Payment of the death benefit in the form of a lump sum will bring your account to an end.

## 9. Beneficiaries' benefits

- 9.1 You may nominate one or more beneficiaries to receive death benefits in the form of pension income. We will exercise our discretion in paying death benefits as a pension death benefit, and we are not bound by any nomination you make but will take your wishes into account.
- 9.2 If we decide that a pension death benefit will be paid, a beneficiary's sub-account will be set up for each beneficiary corresponding to each of your sub-accounts from which they are to receive a beneficiary's pension income.
- 9.3 Each beneficiary can ask for his or her beneficiary sub-account to be used to:
- provide drawdown pension to them from the date of designation of the sub-account for use to provide drawdown pension; or
  - provide a beneficiary's annuity payable to them from your date of death.
- 9.4 Your beneficiary can tell us how he or she wants their beneficiary sub-accounts to be invested. Unless advised otherwise, we will continue to invest the beneficiary sub-accounts in the same manner and, in the same proportions, as previously for your account.
- Drawdown pension**
- 9.5 Any request from a beneficiary for drawdown pension will be put into effect on the working day we receive it. The request must be in a form acceptable to us.
- 9.6 Your beneficiary can take drawdown pension from each of their beneficiary's sub-accounts up to the value of each sub-account.
- 9.7 Your beneficiary can increase, decrease, stop and start their drawdown pension. Your beneficiary can also ask for a change to the level of income or for additional one-off payments to be paid from time to time on a selected payment date and subject to seven working days' notice prior to that date.
- 9.8 We will put your beneficiary's request for any additional one-off payments into effect in accordance with condition 9.7.
- 9.9 We will pay your beneficiary's drawdown pension on the payment date at the frequency requested, but at not less than monthly instalments, subject to any minimum income requirement we may have from time to time.
- 9.10 If you are under age 75 when you die and designation to your beneficiary's drawdown pension is made within two years of the date we are notified of your death, it will be paid to your beneficiary free of income tax. Any amount designated from your uncrystallised sub-accounts to a beneficiary's drawdown pension will be tested against your lifetime allowance and a tax charge will apply to any sum that exceeds your available allowance. If no designation from your uncrystallised sub-accounts is made within two years of the date we are notified of your death, no lifetime allowance test will be made and the income will be taxed at your beneficiary's rate of income tax. Any part of the death benefit that is used to provide an income for your beneficiary/ies and has already been tested against the lifetime allowance, is not tested again.
- 9.11 If you are aged 75 or over when you die, your beneficiary's drawdown pension will be paid subject to your beneficiary's marginal rate of income tax.
- 9.12 For insured funds a number of units equal in value to the value of each drawdown pension payment will be cancelled. The number of units cancelled will be calculated using the unit prices which apply for the date on which it is necessary to cancel units to enable each drawdown pension payment to be made on the payment date.
- 9.13 If your beneficiary has a personal and/or trustee fund he or she or their investment manager has to ensure that there is sufficient cash to pay the drawdown pension

- payments together with the charges detailed in conditions 6.8 and 6.9 as and when they arise. If there is insufficient cash in his or her fund the investment manager will be required to realise assets to provide sufficient cash.
- 9.14 If your beneficiary is investing only in SIP funds and so requests, drawdown pension will be paid by the cancellation of units of those SIP funds in which the beneficiary's sub-account is invested and which are specified by the beneficiary, in the proportions specified by him or her.
- 9.15 Once any request for drawdown pension has been put into effect, payment of drawdown pension will continue, subject to the requirements of the *Rules*, these terms and for insured funds the provisions of the master policy at the level and frequency agreed by us with the beneficiary and subject to the beneficiary sub-account having sufficient value to meet those payments, until such time as the beneficiary:
- elects to buy a beneficiary's annuity; or
  - dies.
- 9.16 Agreement will not be given to a beneficiary taking drawdown pension unless they have agreed to be bound by our terms available at that time.
- 9.20 Your beneficiary must tell us which SIP funds should be disinvested to provide the beneficiary's annuity purchase price. If your beneficiary has a personal and/or trustee fund, your beneficiary or his or her investment manager must ensure that there is sufficient cash held in the fund to purchase the beneficiary's annuity, or liquidate all of the assets of the fund if all of the beneficiary sub-account is to be used to purchase a beneficiary's annuity.
- 9.21 If you are under age 75 when you die and your beneficiary's annuity is set up within two years of the date we are notified of your death, it will be paid to your beneficiary free of income tax. If any of your uncrystallised sub-accounts are used to provide this annuity, these will be tested against your lifetime allowance and a tax charge will apply to any sum that exceeds this limit. If an annuity bought with your uncrystallised sub-accounts is not set up within two years of the date we are notified of your death, no lifetime allowance test will be made and the income will be taxed at your beneficiary's rate of income tax. Any part of the death benefit that has already been tested against the lifetime allowance is not tested again.
- 9.22 If you are aged 75 or over when you die, your beneficiary's annuity will be paid subject to your beneficiary's rate of income tax.

### Buying a beneficiary's annuity

- 9.17 Your beneficiary can use a beneficiary sub-account to buy a beneficiary's annuity payable from your death, or use all (or part) of a beneficiary sub-account to buy a beneficiary's annuity after taking drawdown pension.
- 9.18 Your beneficiary may exercise any of these options by making a request to which we agree and in a form acceptable to us.
- 9.19 Your beneficiary can buy a beneficiary's annuity from SLP or from any other insurance company. Your beneficiary can choose any type of beneficiary annuity that is allowed by the *Rules*. SLP may not offer all the beneficiary annuity options that may be available from another insurance company.

## 10. Death of a beneficiary

- 10.1 If your beneficiary dies before using all of their beneficiary's sub-accounts to buy an annuity, normally all of the assets held for that beneficiary under the scheme will be realised and the cash proceeds (less any charges) paid as a lump sum death benefit or as a pension death benefit. If the beneficiary is under age 75 at the date of death, the lump sum or pension death benefit will be paid tax free to one or more successors nominated by the beneficiary if paid or designated within two years of the date we are notified of the beneficiary's death. If this doesn't happen within two years of being notified of the death there will be a tax charge.
- 10.2 If your beneficiary dies aged 75 or over, any lump sum death benefit will be subject to an income tax charge which will be advised at the time of payment.
- 10.3 If we decide that the beneficiary's death benefits are designated to drawdown pension for one or more nominated successors, the payments will be tax free if the beneficiary was under age 75 at the date of death. Payments will be taxed as pension income at the recipient's rate of tax if the beneficiary's death occurred on or after age 75.
- 10.4 If you have no other surviving beneficiaries but you nominated a charity to receive a lump sum death benefit on your death, all of the assets held under the account will be realised and usually the proceeds (less any charges) paid to your nominated charity free of tax.
- 10.5 For SIP funds, the value of the lump sum death benefit will be calculated using the number of units allocated to the sub-accounts and the unit prices effective for the working day after written notice of the death is received. Where all or part of the sub-accounts is invested in a personal or trustee fund the value of the lump sum death benefit will be calculated using the unit prices effective for the day after sufficient assets of the personal fund have been realised or the value of their share of the assets of the trustee fund, as appropriate.
- 10.6 Where assets are held in a personal and/or trustee fund we will not normally realise the assets until the successors have been determined. We will realise assets, if appropriate, to pay the lump sum death benefit or the drawdown pension income required. However, we retain the right to sell assets of the fund at any time to provide benefits for a successor unless a request has been received not to do so. We will only accept such a request provided the fund is being managed in a manner acceptable to us and/or SLP and does not delay the payment of benefits contrary to HMRC requirements and other pension regulations.
- 10.7 If your beneficiary dies while in receipt of a lifetime annuity, the last payment will be that which falls due before their death.

# 11. Transfers to another scheme

- 11.1 A transfer may be made to:
- another registered pension scheme; or
  - a qualifying recognised overseas pension scheme.
- 11.2 A transfer may be made of:
- the whole or part of an uncrystallised sub-account; and/or
  - all of the crystallised sub-accounts comprising an arrangement.
- 11.3 If you ask to transfer only part of your account, you must state which sub-accounts should be transferred.
- 11.4 Where drawdown pension is being paid from the scheme to one or more of your beneficiaries, they may also request that a transfer be made to another registered pension scheme or qualifying recognised overseas pension scheme. The transfer of a beneficiary's account is subject to the same conditions that apply to a transfer of your account.
- 11.5 A request for a transfer payment must be in a form acceptable to us. We will only make a transfer payment subject to the requirements of the *Rules*, these terms and for insured funds, the provisions of the master policy.
- 11.6 If the transfer is to a qualifying recognised overseas pension scheme, see conditions 4.36 to 4.41 for any lifetime allowance charge that may apply.
- 11.7 If any of your crystallised sub-accounts are transferred, the administrator of the receiving scheme will be given the details that are required for such a transfer to take place in accordance with HMRC requirements.
- 11.8 Except where you have a personal and/or trustee fund your request will be put into effect on either the date you select or the working day after your account documents and all other requirements are received, whichever is the later. For insured funds the transfer payment will be calculated using the unit prices effective for the working day after receipt of all requirements.
- 11.9 If you have a personal and/or trustee fund you or your investment manager must ensure that there is sufficient cash held in the fund to pay the transfer value, or liquidate all of the assets of the fund if all of your account is to be transferred.
- 11.10 Payment of the transfer value will bring your sub-accounts to an end in respect of the part of the account to which the transfer relates.
- In-specie transfer**
- 11.11 Instead of us, and for personal funds, SLP, selling the assets of a personal and/or trustee fund in order to give effect to a transfer request, you (or your beneficiary) can ask for the ownership of the assets of the fund to be transferred to another registered pension scheme, subject to that scheme being willing to receive those assets. This does not apply to any units of SIP funds or the holdings in cash. A transaction charge will apply for each asset we transfer ownership of, and an administration charge for each property we transfer ownership of. We will not be liable for any costs incurred by the receiving scheme when facilitating any such transfer.
- Pension sharing order**
- 11.12 If a pension sharing order following divorce or dissolution of a civil partnership is received, in respect of your rights under your account, it must be complied with.
- 11.13 If you have not given any disinvestment instructions units of SIP funds will be encashed in the same proportion to which they are held for your account in order to give effect to a pension sharing order.
- 11.14 If you have a personal and/or trustee fund and you or your investment manager have not ensured that there is sufficient cash available to make the payment, assets of the fund will

be realised in order to give effect to the pension sharing order.

- 11.15 The value as required by the pension sharing order will be paid to a separate account in the name of your ex-spouse or ex-civil partner. Or, if your former spouse or former civil partner requests, to another registered pension scheme or qualifying recognised overseas pension scheme.
- 11.16 The same provisions apply to a payment made as a consequence of a pension sharing order as to a transfer requested by you.

### **Restoration order**

- 11.17 If a restoration order in respect of your rights under the scheme is received, it must be complied with.
- 11.18 If you have not given any disinvestment instructions, units of SIP's funds will be encashed in the proportion to which they are held for your account in order to give effect to the restoration order.
- 11.19 If you have a personal and/or trustee fund and you or your investment manager have not ensured that there is sufficient cash available to make the payment, assets of the fund will be realised to pay the amount that we are directed to pay under the restoration order.

## 12. General

- 12.1 The scheme is established under a trust.
- 12.2 For insured funds, your sub-accounts derive from a master policy that is held under the trust and is subject to the terms of the trust deed establishing the scheme and the *Rules*.
- 12.3 Nothing in these terms modifies or overrides the *Rules*. Except for insured funds where the provisions of the master policy specifically defer to these terms, neither do these terms modify or add to the provisions of the master policy.
- 12.4 Any payments made by you (or on your behalf) to the scheme must be paid in sterling, unless an in-specie contribution or transfer has been agreed to. Any payments we make to you, to your beneficiary or to another scheme will also be in sterling, unless an in-specie transfer has been agreed.
- 12.5 We will consolidate the proceeds of your personal and/or trustee fund and SIP funds before payment.
- 12.6 Where we are required to realise the assets in your account this will also include instructing SLP to surrender units in the insured funds and pass the proceeds to us.
- 12.7 Before making any drawdown pension, UFPLS or lifetime annuity payments to you or your beneficiary, any tax that is due under Part 9 of the Income Tax (Earnings and Pensions) Act 2003 will be deducted.
- 12.8 Certain procedures and forms are used when any change to your account or any payment is to be made. Forms and any other documents must be sent to our head office unless you are asked to do otherwise. Changes and payments will only be made when all procedures have been completed. For this purpose we reserve the right, where any requirements are met at or after 2pm on a working day, to deem those requirements to have been received on the following working day.
- 12.9 If the effective day for any calculation or any action is not a working day the next working day will be treated as the effective day.
- 12.10 You will not be allowed to withdraw any request you have made on or after the date it is put into effect.
- 12.11 For insured funds where a switch charge is to be applied and units of more than one insured fund are involved in that switch, the charge will be applied across the relevant insured funds in proportion to the value of the units concerned.
- 12.12 If your date of birth or the date of birth of any other person who becomes entitled to benefits under your account is incorrectly stated at any time, the benefits will be adjusted so as to reflect your correct date of birth or the correct date of birth of that other person, as given in the original evidence of the date of birth for you or that other person.
- 12.13 In the event of a benefit becoming payable under section 8, 9, or 10, and the sub-account is invested in a personal and/or trustee fund, we and/or SLP will realise the assets of the deceased investor's share of the fund into cash or other readily realisable assets as soon as possible. Provided that we or it may at our or its discretion defer such realisation if a request is received that is acceptable to us, to pay drawdown pension to a beneficiary of the deceased investor or if, in our opinion, there is likely to be such a request. If we and/or SLP defer realisation of the assets of the fund in these circumstances, and on the death of the investor there ceased to be an investment manager, we and/or SLP reserve the right to appoint an investment manager.
- 12.14 If a personal fund contains real property we may consult with your beneficiary before selling the property.
- 12.15 Whenever a request is made by you under any of conditions 5, 7 or 11, or in the event of a benefit becoming payable under conditions 8, 9 or

	<p>10 and the account is invested in a personal or trustee fund, then we and/or SLP reserve the right to indefinitely delay the payment of benefits, where assets are to be realised from the fund until such time as:</p>	12.21	<p>We reserve the right to extend the period of 14 days referred to in condition 7.22 in circumstances where all or part of your sub-account is invested in a personal fund so as to enable all or part of the assets of that insured fund to be realised in the form of cash.</p>
	<ul style="list-style-type: none"> <li>• in our and/or its opinion there are sufficient assets held in the form of cash or other readily realisable assets in the fund to enable them to give effect to your request, or to pay the death benefit; or</li> <li>• such cancellation would not increase the ratio of any indebtedness of the fund to its total assets beyond a level acceptable to us and/or it or HMRC.</li> </ul>	12.22	<p>Unless you only hold SIP funds, assets will normally be held in a personal fund, however, if we determine that an asset may not be held in a personal fund it will be held in a trustee fund. Cash is transferred between the personal fund and the trustee fund as necessary as described in conditions 5.38 to 5.44 ('Cash holdings') and conditions 5.45 to 5.47 ('Making changes to your investments'). However, if your investment manager uses an external custodian, all assets in your personal fund will be surrendered and paid to the trustee fund and your personal fund will be closed.</p>
12.16	<p>If after six months the realisation of assets representing your share of a personal and/or trustee fund is still delayed, we and/or SLP shall be entitled to dispose of such assets of the fund as we and/or it at our and/or its discretion shall decide, and without prejudice to our and/or its right to delay the realisation of assets representing your share of the fund in accordance with this condition.</p>	12.23	<p>All communications from you to us or from us to you must be in English.</p>
12.17	<p>SLP will carry out the appropriate cancellation of units representing your share of the personal fund to give effect to your request or to pay any lump sum death benefit when the personal fund is next valued after a period of delay in accordance with this condition and at the unit price then calculated.</p>	12.24	<p>We may telephone you to discuss your OneSIPP at a reasonable time of day without an express invitation from you to do so.</p>
12.18	<p>For insured funds, where the request is made under condition 5 and the cancellation of units is delayed under this condition, units in the other insured funds will be allocated using the unit prices for those insured funds applicable on the date on which units in the personal fund are cancelled.</p>	12.25	<p>We reserve the right to record telephone conversations for training and monitoring purposes.</p>
12.19	<p>For insured funds, where the request is made under condition 7 or 11 and the cancellation of units in the personal fund is delayed under this condition, the payment made in order to give effect to your request will be calculated using the unit prices applicable on the date on which units in the personal fund are cancelled for all of the insured funds in which your account is invested.</p>	12.26	<p>We may decline to act on any instruction or communication from you if we reasonably believe that to do so would give rise to a breach of law or HMRC practice, and we will advise you within a reasonable timescale if we believe this to be the case.</p>
12.20	<p>If your personal or trustee fund holds assets that are not readily realisable then payment of benefits may be delayed.</p>	12.27	<p>For SIP funds, where SLP negotiates the payment of an annual management charge rebate for an insured fund with any external investment manager, it reserves the right to retain all or a proportion of that rebate for its sole benefit and to adjust the proportion of any such rebate retained for its sole benefit at any time, to the extent to which such rebates may be allowed.</p>
		12.28	<p>Assets of SIP funds may be used as part of a securities lending programme and SLP will retain a proportion of the income derived from that securities lending programme for its sole benefit, with the remainder of that income less third-party charges accruing for the benefit of SIP's funds as determined</p>

by it, subject to SIP's funds receiving fair and reasonable recompense for any such lending.

- 12.29 Tax shall be deducted in accordance with legislation and the regulations of HMRC for the time being in force. If any contributions are repayable to a member during his or her lifetime or benefits are paid as a cash sum or pension income, any necessary tax shall be deducted therefrom. The scheme administrator shall be accountable to HMRC for such tax as is required under the provisions of the Finance Act 2004 and regulations made thereunder, provided that where liability for such charge is on a joint and several basis, the scheme administrator shall be deemed (as between it and the member) to have discharged its obligations to meet that liability where it has acted in reliance on information provided in a declaration signed by the member or otherwise where it has acted in 'good faith' as set out in sections 267-269 (inclusive) of the Finance Act 2004. If the member has provided incomplete or incorrect information within the declaration, or has failed to provide a declaration, liability for any additional charge or tax or any unpaid tax will be deemed to fall solely on the member or his or her beneficiaries as appropriate. The scheme administrator shall be entitled to recover from the member's or beneficiary's benefits under the scheme any charges or tax raised on it by HMRC. To the extent that the scheme administrator is unable to recover such tax or charges from the member's benefits under the scheme, the member or beneficiary shall be personally liable to reimburse the scheme administrator. In any event, the scheme administrator reserves the right to deduct any tax charges as required by HMRC from the member's or beneficiary's fund.
- 12.30 While the intention is not to make any unauthorised payments, the scheme administrator shall have the ability at its absolute discretion to make an unauthorised payment. Where it exercises such discretion, the scheme administrator shall deduct such amounts as it reasonably believes will cover any scheme sanction charge or any other charge arising as a consequence

of making that payment from the member's account, the beneficiary's sub-accounts and/or (as relevant) the benefits paid.

- 12.31 The scheme and the master policy are governed by and are to be interpreted in accordance with the laws of England.
- 12.32 References in these terms to any statute or statutory provision shall include that statute or statutory provision as from time to time amended, modified, replaced or re-enacted (whether before or after the date of your agreement with us) in any order, regulation, instrument, by law or other subordinate legislation made under it.

### Your protection

- 12.33 As a retail client you may be eligible to claim compensation from the Financial Services Compensation Scheme (FSCS) if Sanlam Investment and Pensions are declared in default and are unable to meet liabilities to you.

Money held in the SFS-designated client money accounts are segregated from SFS' 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 event of a bank failure the designated client money account is not pooled with any other type of client money account.

If 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.

If you hold a personal fund, the level of compensation you are able to claim from the FSCS may be greater than the level of compensation you would be able to claim if you hold a trustee fund.

The banks we use are independent of us and we do not accept liability for any default or delay in distribution of funds in the unlikely event that a bank fails.

Further information, including details of the extent and level of cover are available from the FSCS website ([www.fscs.org.uk](http://www.fscs.org.uk)) or, on request from our head of compliance. You should note that certain clients such as large trusts may not have access to the FSCS.

12.38 None of these terms can be modified or waived (unless this booklet expressly provides that they can be) except by an endorsement issued by us from our head office and examined and signed by one of our authorised officials.

12.39 These terms are based on our current understanding of pensions tax legislation and practice.

### Where you can get help

12.34 If you have any queries please contact us at:

Sanlam Investments and Pensions  
St Bartholomew's House  
Lewins Mead  
Bristol BS1 2NH  
T 0117 975 2355  
E [clientservices@sanlam.co.uk](mailto:clientservices@sanlam.co.uk)

12.35 If you are not satisfied with the service you receive you can contact us at the address shown in condition 12.34.

12.36. If you are unsatisfied with our response then you can complain to:

Financial Ombudsman Service  
Exchange Tower  
Harbour Exchange Square  
London E14 9GE  
T 0300 123 9123  
E [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)  
[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

You (or your beneficiary) also have access to The Pensions Advisory Service Limited (TPAS). You can contact TPAS at:

The Pensions Advisory Service  
11 Belgrave Road  
London SW1V 1RB  
T 0800 011 3797  
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### Changing or replacing the *Terms and conditions*

12.37 If it becomes necessary to do so, we will amend the provisions of the master policy and these terms to satisfy legislation or HMRC requirements so that contributions paid and transfers received may be treated or continue to be treated as pension business within the meaning of section 58 of Part 2 of the Finance Act 2012.

### Minor non-monetary benefits

12.40 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.

### Data privacy

12.41 Sanlam Life & Pensions UK Limited, Sanlam Trustee Services UK Limited and Sanlam Financial Services UK Limited are each regarded as a data controller within the meaning of the applicable data protection laws including, but not limited to, the General Data Protection Regulation (Regulation EU 2016/679) which means we are responsible for deciding how we hold and use your personal data.

In providing our products and/or services to you, we will receive information from and about you. We take the security of your personal data very seriously. We will only process your personal data in accordance with applicable data protection laws. Further information about the way in which we use your personal data is set out in the application form and the Sanlam privacy statement which is available at [www.sanlam.co.uk](http://www.sanlam.co.uk)



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