

ROLES AND RESPONSIBILITIES WHEN WORKING WITH SUFFOLK LIFE

At Suffolk Life, we aim to provide you and your clients with a service that is second to none. As part of our intelligent approach to administering SIPPs, we have detailed where the responsibilities for many activities reside so we both know what we can and should expect.



ROLES & RESPONSIBILITIES

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THIS CONTAINS INFORMATION ON THE ROLES AND RESPONSIBILITIES of both you (the adviser) and us (Suffolk Life) when dealing with the day to day activities of a SIPP.

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SECTION A: RECOMMENDING A SIPP

The section looks at establishing a SIPP and transfers in.

RECOMMENDING A SIPP

- » We will provide you with any technical assistance concerning our SIPP, our requirements or applicable pension legislation as you want.
- » Prior to your client completing an application form you will provide the following in relation to your client:
 - » Key features document;
 - » Personal illustration (this can be prepared by using our online illustration wizard at www.suffolklife.co.uk/asillustrate or we can provide one on request);
 - » Schedule of fees;
 - » Schedule of allowable investments;
 - » Terms and conditions;
 - » Property guide, insurance notes and property form where a property investment is proposed.
- » You will consider the suitability of our SIPP for your client and confirm to us whether or not you have advised on the sale.

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SECTION B: ESTABLISHING A SIPP

ESTABLISHING A SIPP

- » You will send us a fully completed application form, including anti-money laundering documentation.
- » We will:
 - » check the anti-money laundering, including source of wealth and funds, meets our requirements;
 - » carry out checks against UK sanction lists and list of politically exposed persons;
 - » request any essential outstanding information from you in order to establish the SIPP; then
- » aim to establish the SIPP within 3 working days (where we have all information required), in practice we establish most SIPPs on the day of receipt.
- » You will consider the suitability of any occupational transfer in and confirm to us whether or not you have advised on any such transfer.
- » We will bank cheques within a day of the bank account being live however if a cheque cannot be banked for certain reasons we will keep it securely until they can be banked.
- » Once the plan is established we will send a cooling off letter to your client, usually the same day.
- » We will also send an application receipt confirmation letter to you including
 - » personal illustration;
 - » key features document;
 - » membership schedule; and
 - » plan schedule, for protected rights only.
- » You will then forward all these documents to your client.

TRANSFERS IN

- » You will forward to us all necessary discharge forms for completion by us as scheme administrator.
- » We will complete discharge forms where applicable.
- » We will send a letter requesting a transfer from the ceding scheme which will include:
 - » transfer request;
 - » completed discharge form, where provided to us; and
 - » NICO form, if applicable.
- » Unless you inform us otherwise, we will assume you are chasing the transfers from the ceding scheme, if you wish us to chase the transfer or request discharge forms; we can do this for a fee.
- » For *in specie* transfers we will check allowability of assets.
- » We will send the following documentation on receipt of each pension transfer:
 - » cooling off letter to your client; and
 - » transfer confirmation letter to you.
- » We will send appropriate NICO form to HMRC (if applicable).

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SECTION C: TAKING BENEFITS

This section covers the way in which we pay benefits including establishing Unsecured Income and Alternatively Secured Pension.

UNSECURED INCOME

- » You will send us a fully completed unsecured income form on behalf of your client and ensure the relevant parts are signed.
- » You will ensure that evidence of age (if not previously provided) has been sent to us i.e. birth certificate or verification form.
- » Once the original unsecured income form is received we will:
 - » request from you any outstanding information;
 - » ensure that evidence of age has been received;
 - » prepared a reconciled valuation, when needed;
 - » carry out a lifetime allowance test; and
 - » check there are sufficient funds in the SIPP account to pay the pension commencement lump sum and initial income.
- » Once we have completed a reconciled valuation we will:
 - » pay the pension commencement lump sum; and
 - » send the cooling off notice to your client.
- » We will send an unsecured income confirmation letter to you including:
 - » personal illustration(s);
 - » key features;
 - » benefit crystallisation event certificate;
 - » unsecured income schedule; and
 - » reconciled plan valuation.
- » You will then forward all these documents to your client.
- » We will send the completed NICO forms to HMRC (if applicable).
- » You will continue to ensure that there is sufficient cash in the SIPP bank account to fund unsecured income payments ten business days prior to the month end when payment is due.

ALTERNATIVELY SECURED PENSION

- » You will send us a fully completed alternatively secured pension (ASP) form on behalf of your client and ensure the relevant parts are signed.
- » We will prepare a fully reconciled fund valuation then designate the pension fund into ASP, carry out a lifetime allowance test, pay the pension commencement lump sum (if applicable) and arrange pension payments as instructed.
- » We will send an ASP confirmation letter to you including:
 - » personal illustration(s);
 - » key features;
 - » benefit crystallisation event certificate;
 - » ASP schedule ; and
 - » reconciled plan valuation (if applicable)
- » You will then forward all these documents to your client.
- » You will ensure that there is sufficient cash in the SIPP bank account to fund alternatively secured income payments ten business days prior to the month end when payment is due.

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SECTION D: CONTRIBUTIONS

This section covers how we receive contributions and reclaim the tax, if due.

- » You will arrange for contributions to be paid by cheque or direct debit as detailed in the application form.
- » You/Your client or their employer will inform us whether a contribution is a net personal, a gross employer or a gross personal contribution.
- » We will issue contribution payment certificates for personal contributions.
- » We reclaim basic rate tax on personal contributions, unless you inform us that it is a gross personal contribution.
- » We will credit the tax reclaim amount to the SIPP when it is received from HMRC.
- » We will act on any investment instructions associated with a contribution and/or associated tax reclaim if applicable.
- » We will be informed of any direct payments being made into the SIPP bank account and whether they are employer, net personal or gross personal contributions.
- » You/your client or their employer will inform us of any changes to regular contributions.
- » You/your client will inform us if/when nominating a pension input period.
- » We report contribution information to HMRC (your client will also do the same through their tax return).

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SECTION E: REPORTING

This section covers the annual reports we produce for you and your client

- » We will produce a fully reconciled annual statement for each plan that your client has.
- » We will produce either a Statutory Money Purchase Illustration (SMPI) or an Unsecured Income Review Illustration, whichever is appropriate, for each plan that your client has at the same time as producing the annual statement.
- » We will ensure that the correct fees have been charged to each plan that your client has.
- » We will send a copy of the annual statement to you with a covering letter. We will also send your client's original annual statement pack and covering letter to you.
- » **The original annual statement packs and covering letters to your client must be forwarded on to them by you.**
- » We will, if there is a renewal fee due to you, calculate the amount due and remind you to send us an invoice for settlement.
- » You may direct any queries in respect of the annual statements to investorstatements@suffolklife.co.uk.

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SECTION F: PROPERTY

This section covers the various stages of the lifetime of a property within a SIPP

ACQUISITION

- » You/your client will select a property to purchase and negotiate the price with the vendor (if applicable).
- » You will set up a SIPP for each of your clients wanting to invest in the property with us.
- » You will ensure there are sufficient funds in the SIPP bank account(s) to proceed with the purchase including all fees payable.
- » You will ensure your client has signed a completed property form, and send it to us.
- » Upon receipt of a property form we will review the asset to ensure that it is not taxable property and is an acceptable asset to hold.
- » You/your client will nominate, for our approval, a solicitor and valuer and negotiate their fees.
- » If a loan is required you/your client will negotiate the terms with your nominated lender - must be high street source.
- » You/your client will confirm tenancy details of the property.
- » We will check that sufficient funds are available for the purchase and all fees (including our fees) and that any borrowing complies with the Finance Act 2004.
- » We will send out formal instructions to your client's chosen solicitor, valuer and lender (if applicable).
- » We will establish a separate property bank account to receive all rent, make loan repayments, deal with VAT (if applicable) and pay all relevant property expenses.
- » We will liaise with the solicitor regarding all due diligence, ensuring that we are not inheriting any onerous covenants or liabilities and that the property is not environmentally unsound.
- » If the property is to be VAT elected we will elect the property for VAT. This is dependant on receiving confirmation of the VAT status from the solicitor.
- » We will arrange to recover the VAT on the next quarterly VAT return to be submitted on receipt of the necessary VAT invoice from the vendor.
- » We will ensure that the terms of the lease are acceptable to your client and that the lease includes our limitation of liability clause.
- » We will ensure that that the lease is to be on fully repairing and insuring terms unless there is a good reason for it to be on other terms.
- » If there is a loan we will sign the loan documentation, on the basis your client is agreeable to the main terms of it, and return to the lender.
- » We will check the property transfer documentation.
- » If the purchase is with a connected party we will ensure that the transaction proceeds are at market value.
- » We will pay any deposit due on exchange of the contract from the SIPP property bank account.
- » We will pay completion monies from the SIPP property bank account to the solicitor.

SALE

- » Your client will locate a buyer for the property. The price will reflect market value.
- » You/your client will provide details of the selling price, purchaser/purchaser's solicitors and any other heads of terms to us.
- » You will confirm if any existing leases are to be surrendered upon completion of the sale.
- » You will provide details of the valuer (for connected party transactions) and solicitor for us to instruct.

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SECTION F: PROPERTY

- » Upon receipt of solicitors and valuers details we will send instructions to them.
- » We will ensure the sale contract is acceptable.
- » If the property is elected for VAT we will provide the solicitor with a VAT invoice for the buyer.
- » If the property is being sold to a connected party we will ensure that the sale price is in line with the valuer's advice.
- » We will ensure that, if the tenant is connected and surrendering its lease, the surrender takes place on normal commercial terms as advised by the valuer.
- » We will receive sale proceeds from the solicitor. If there is a loan we would expect to receive these proceeds net of the loan, which the solicitor should repay.
- » We will ensure that any direct debits and/or standing orders relating to the property are cancelled.
- » We will make sure that the insurance cover is cancelled.

BUILDING WORKS

- » You/your client will inform us of the intention to develop the property.
- » You/your client will provide us with at least 2 quotes from relevant contractors.
- » We and your client will receive valuation advice to show the improvement will be a benefit and that this will be reflected in the rental income.
- » You/your client will ensure that sufficient funding is in place to fund building works.
- » You/your client will confirm to us if borrowing is required.
- » We will check that any borrowing complies with the Finance Act 2004.
- » We will liaise with the nominated lender with regard to the loan.
- » You/your client will provide us with details of an architect/project supervisor.
- » We will instruct the contractor and architect.
- » We will enter into a fixed price contract with contractor, ensuring that our limitation of liability clause is included.
- » We will arrange for any insurance cover to be in place.
- » We will ensure contractors are registered with CIS scheme.
- » You/your client will approve any invoices received by us.
- » We will settle from the SIPP property bank account any invoices from the contractor/architect.
- » We will settle from the SIPP property bank account all payments due under the CIS scheme.

INSURANCE

- » You/your client will complete the insurance section of the property form and return to us.
- » You will confirm the occupational status of the property and, if connected, nature of the tenant's business.
- » We will arrange for the property to be insured on a block policy.
- » We will recharge insurance premiums to tenant if appropriate.
- » We will respond to any claims made by the tenants/your client(s).
- » We will ensure that the insurance status of the property is updated. For example if the property becomes vacant or if there is a change of use.
- » You/your client will be responsible for carrying out any work or ongoing reviews where the property is vacant.

RENT COLLECTION

- » We will arrange for rental invoices to be sent to the tenant.
- » We will arrange to chase any rent arrears.
- » We will liaise with you/your client if further action is required to pursue rent arrears.

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SECTION F: PROPERTY

PAYMENT OF INVOICES

- » We will forward invoices to you/your client for confirmation that they are acceptable to pay.
- » You/your client will confirm that invoices are acceptable to be paid.
- » You/your client will liaise with third parties if the SIPP is not to pay invoices.
- » We will pay invoices from within the SIPP plan.
- » We will account for VAT to HMRC, if applicable, on a quarterly basis.

LEASE EXPIRIES

- » We will contact you/your client to confirm the lease is due for renewal.
- » You/your client will confirm that your client wishes the lease to be renewed.
- » You will tell us which valuer to instruct so that we can obtain confirmation that the new lease terms represents normal market terms.
- » You/your client will provide details of the solicitor we are to instruct.
- » We will instruct the solicitor and valuer (if applicable) to act for us.
- » We will review the lease and ensure our limitation of liability clause is included and is otherwise acceptable.
- » We will sign and return the lease.
- » We will set up the billing details for the tenant once lease has been completed.

RENT REVIEWS

- » You/your client will confirm which firm of valuers we are to instruct to act for us in the rent review.
- » We will instruct the firm of valuers to act for us in rent review.
- » We will sign and return rent review memoranda, after you/your client has confirmed acceptance to the terms.
- » We will arrange for new rent to be billed to tenant.

RE-STRUCTURING OWNERSHIP

- » You will supply us with instructions detailing the proposed restructuring of ownership as between the relevant Suffolk Life SIPP plans.
- » You will supply consent from all joint investors.
- » You will ensure sufficient funds are in place for re-ownership.
- » You/your client will confirm details of which valuer we are to instruct.
- » We will arrange for a valuation to be prepared.
- » We will deal with internal allocation of funds and re-ownership, updating our systems.
- » If a loan is involved we will liaise with the lender as appropriate.

LOAN REPAYMENTS

- » We will effect regular loan repayments to the lender in accordance with the loan agreement if sufficient funds are available in the SIPP property bank account.
- » You/your client will confirm if a lump sum loan repayment is to be made.
- » We will obtain the redemption figure from the lender.
- » You will ensure sufficient funds are in place for repayment.
- » We will confirm with bank if any early repayment charges would be payable, and inform you/your client.
- » You will give us instructions to proceed.
- » We will send lump sum repayment to the lender.
- » We will ensure all standing orders are amended to reflect new payments if required.

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SECTION G: INVESTMENTS

This section covers the different areas relating to placing investments

DEALING

- » We will only transmit orders for collective investment schemes that are not traded via a stock exchange.
- » We require all investments traded via a stock exchange to be carried out by a duly appointed investment manager or execution only stockbroker and you/your client will deal directly with them.
- » You will provide us with sufficient information to place the non-listed investment deal including:
 - » Full fund name;
 - » Share class;
 - » Commission requirements;
 - » Any negotiated discounts;
 - » Investment amount;
 - » Split between Protected Rights and Ordinary Pension Benefits (quoting relevant plan numbers);
 - » If income, accumulation or institutional units are required; and
 - » For income units, if income received is to be paid out or reinvested.
- » If an application form is required please provide us with the correct form for the investment.
- » If providing the investment application form and it requires your details, please ensure they are complete.
- » You will inform us if you want the investment placed directly with the fund provider or through a fund supermarket.
- » If through a fund supermarket you will provide us with your agency code to ensure you receive commission.
- » We will sign and send application forms/instructions.
- » We will provide third parties with the relevant anti-money laundering documentation for Suffolk Life.
- » We will transfer monies to the relevant third party by cheque, if possible, but where you wish for this to be transferred electronically you will inform us in your instruction.
- » We will check contract notes upon receipt to ensure that the deals have been placed correctly.
- » If you have requested a redemption, we will check the deposit account to ensure funds have been forwarded.
- » If you have requested a redemption or switch, should there be any discrepancies with unit holdings, we will request a transaction history from the fund provider and reconcile the holding.
- » You will provide us with any original policy documents that are forwarded to you by the fund provider.
- » You will liaise directly with fund provider with regard to problems with commission payments.

REGULAR INVESTMENT

- » We will establish regular investments once we are sure a regular contribution is established correctly and we have seen the first payment in the account.
- » We will ensure that the regular investment is set correctly and that the first payment is taken accordingly.
- » You will monitor the bank account and issue us with instructions to cancel the payments if funds become too low.

ALLOWABILITY CHECKS

- » In order for us to assess the allowability of an investment you will provide us with a full prospectus and/or SEDOL number.
- » We will assess the investment based on the information provided.
- » If further information is required we will inform you what it is and you will obtain this directly.

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SECTION G: INVESTMENTS

CONNECTED PARTY TRANSACTIONS (CPT)

- » You will inform us if an investment transaction will be a CPT.
- » You will ensure funds are available for the purchase.
- » You will provide us with the details of the trade including.
 - » Full name of fund/shares.
 - » No. of shares to be purchased.
 - » How the assets are currently held.
- » We will draft a letter of instruction for the investor to use and include a stock transfer form if required and send this to you.
- » You will ensure that this/these is/are signed and returned to us.

Certificated shares purchase by SIPP

- » We will arrange for stamp duty to be paid.
- » We will arrange for the stamped stock transfer form and certificate to be lodged with the registrars.
- » You will confirm how to make payment to the seller, if by CHAPS bank details will be provided signed by the seller.
- » We will arrange for payment to the seller.
- » If a broker account is not already established you will inform us with whom an account should be established and we will establish this account (see “Establishing investment accounts” for further information).
- » We will then arrange for the shares to be placed within the broker account established for the SIPP.

Broker to broker CPT

- » We will inform you when you can arrange the deal.
- » You will instruct the broker to place the deal.
- » The broker will arrange the rest and you should contact them for updates.

ESTABLISHING INVESTMENT ACCOUNTS

- » You will provide us with the full contact details of the investment manager you would like to us appoint i.e. full name of company, contact name, full address.
- » We will, where we have not previously used the investment manager, send our due diligence questionnaire to the investment manager and investigate whether they meet our requirements, e.g. if they hold stock, can take SIPP money, are UK based and are able to report to us sufficiently.
- » You will ensure the due diligence questionnaire is returned to us by the proposed investment manager.
- » If required, you will ensure that your client has read, understood and signed our investment agreement.
- » If there is a global agreement which requires a separate account opening form, you will provide us with the correct paperwork.
- » We will complete account opening forms, if required, in the name of Suffolk Life as the client.
- » We will advise the investment manager that your client needs to complete the risk and investment objective sections, if applicable.
- » You will ensure you have authority on the account to place investment instructions if required.
- » You will ensure only the investor and adviser sections of the application form are completed.
- » We will ensure that we receive the correct account references and bank details.
- » To transfer money to the investment manager, you will contact your Client Services admin team.
- » We will transfer funds after checking their availability; usually by CHAPS.
- » All instructions to move stock or cash to or from the investment manager must come via us.
- » You will let the investment manager know of your intentions for us to transfer funds.

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SECTION H: REMUNERATION

This section covers the processes involved in paying adviser remuneration.

- » You will ensure that we have authority to pay your invoice to the agreed level, either on the application form or subsequent instruction from your client.
- » You will provide an invoice per plan.
- » Your invoice will include:
 - » Advisers name;
 - » Your client's name and plan number;
 - » Invoice number (sequential);
 - » Date;
 - » Valuation and valuation date;
 - » Percentage used (if a fixed fee is not used);
 - » Fee and VAT due;
 - » Description of the fee (advice, set-up, investment advice etc); and
 - » Payment remittance instructions (we prefer to make payments by direct transfer/BACS).
- » We will check the invoice against investor authority to pay amount on invoice.
- » We will contact you if there is any discrepancy.
- » We will endeavour to pay invoices within 10 Working days, where we have authority and funds to do so.
- » A template invoice can be found at www.suffolklife.co.uk/remuneration.

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SECTION I: DEATH BENEFITS

In this section we cover what is involved in settling death benefits

- » You will confirm the death of your client and provide us with a death certificate.
- » You will provide authority from the beneficiaries or executors if we are to continue dealing via you.
- » We will then arrange for a reconciled valuation before payment of any benefits.
- » You will provide confirmation of how the benefits are to be paid (lump sum or otherwise as allowed under the rules of the SIPP) as well as evidence of identity and address for the beneficiaries.
- » If there are no nominated beneficiaries you will let us know who to contact for further information so that we can pay the relevant benefits.
- » We will arrange the payment of benefits.
- » We will report on and make payment of any tax liabilities relating to the deceased's plan(s).
- » We will liaise with the estate if there is no adviser acting for the beneficiaries.

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SECTION J: ANNUITIES

This section covers the way in which annuity purchases are dealt with.

- » You will request an open market option discharge form prior to obtaining quotes from annuity providers.
- » You must give a clear written instruction if a partial annuity purchase is requested.
- » You will arrange for the open market option form to be signed by both your client and the annuity provider and returned to us.
- » All assets will be sold prior to purchase of the annuity, instruction will be received, either from you or your client.
- » We will provide a reconciled valuation.
- » You will provide us with enough information to complete the lifetime allowance test.
- » We will complete a lifetime allowance test.
- » You will provide us with evidence of address and age if not already received.
- » We will arrange the payment of any pension commencement lump sum.
- » We will transfer the required funds to the annuity provider confirming all required scheme details.
- » We will then confirm to you that the payment has been made.

www.suffolklife.co.uk

Suffolk Life is the trading name of Suffolk Life Pensions Limited (registered in England and Wales number 1180742) and Suffolk Life Annuities Limited (registered in England and Wales number 1011674). Both companies are authorised and regulated by the Financial Services Authority. Suffolk Life operator and administer SIPP's and similar self-invested pension products. The registered address of all companies is 153 Princes Street, Ipswich, Suffolk, IP1 1QJ, United Kingdom
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Telephone calls to Suffolk Life are recorded for training, monitoring and fact verification purposes.

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SUFFOLKLIFE
THE INTELLIGENT APPROACH