

2010 Schedule of Fees

for the Suffolk Life MasterSIPP

This is a legally binding document between you and Suffolk Life.
It is part of a set all of which should be read together:

- » Key Features
- » Personal Illustration
- » **Schedule of Fees**
- » Schedule of Allowable Investments
- » Terms and Conditions
- » Application Form



This document helps you understand the fees for establishing and administering a Suffolk Life MasterSIPP. It also provides you with a comprehensive guide to all transaction costs, and answers frequently asked questions about our charges. The Suffolk Life MasterSIPP will hold non-protected rights and protected rights within the same plan unless otherwise instructed.

The following scenarios are examples of fees that you may incur and that are payable to Suffolk Life.

Example scenario – getting started

An adviser recommends a MasterSIPP for a client. The client has three pension funds consisting of non-protected and protected rights with other providers which will all be transferred as cash.

In this scenario, the client's adviser is happy to facilitate the transfer which means that he has requested pension discharge forms from the current providers and, once received, sends them off to Suffolk Life.

Suffolk Life establishes the SIPP, requests the transfers and sets up a bank account. Within a short period of time the other providers transfer their funds to Suffolk Life, who deposit them in the SIPP bank account. Suffolk Life tells the adviser when each pension has been transferred, and once the last one has arrived the adviser implements the investment strategy he has agreed with his client.

The adviser has chosen to use an investment manager that has a global agreement with Suffolk Life and is an e-investment affiliate to benefit from nil Suffolk Life transaction fees. However, depending on the investment manager and what assets the SIPP invests in, additional charges may apply. For example, discretionary investment managers will typically charge an annual fee and funds would typically be subject to an annual management charge.

What would the costs for this be?

Getting started

MasterSIPP establishment	£300
Transfer in charge (with the adviser handling the paperwork)	Nil
TOTAL	£300

Ongoing charges*

MasterSIPP annual administration fee (taken in advance)	£490
Investment dealing charges (with an e-investment affiliate)	Nil
TOTAL per annum	£490

All fees are subject to VAT.

Example scenario – taking benefits

After several years, the above client decides to start drawing benefits from his MasterSIPP. He decides to take his maximum allowed tax-free pension commencement lump sum along with maximum permitted income, paid monthly. This is known as Unsecured Income. Should the client decide to stop drawing income, the annual income charge will no longer apply for future pension years until income recommences.

What would the costs for this be?

Taking benefits from the MasterSIPP

To crystallise (initiate benefits)	£155
TOTAL	£155

Total ongoing charges in retirement*

MasterSIPP annual administration fee (taken in advance)	£490
Annual income charge (taken in advance)	£155
TOTAL per annum	£645

Income limit review fee (minimum every 5 years) £155

All fees are subject to VAT.

Example scenario – moving into property

The same client then decides to purchase a commercial property (which is not VAT elected). Now that he is drawing regular benefits he feels a regular rental income better suits his needs.

The adviser disinvests the existing investments, and the SIPP fund is used to acquire the client's chosen property. In addition to the MasterSIPP fees, the client also expects to pay for a valuation as well as solicitor's fees and stamp duty (if applicable). These fees will all be settled from the SIPP fund.

The annual property management fee covers various aspects of managing the property, including the invoicing and receipt of the rent from the tenant.

There may also be third party fees payable from the SIPP, for example, valuer's fees for rent reviews.

What would the costs for this be?

Acquiring the property

MasterSIPP disinvestment dealing charges	Nil
Handling the purchase (estimate)	£1,800
TOTAL	£1,800

New total ongoing charges in retirement*

MasterSIPP annual administration fee (taken in advance)	£490
Annual income charge (taken in advance)	£155
Property facility fee (taken in advance)	£100
Property management fee (estimate)	£700
TOTAL per annum	£1,445

Income review fee (minimum every 5 years) £155

The property acquisition fee and property management fee are exempt from VAT. All other fees are subject to VAT.

Property acquisition and management fees are principally time-cost estimated.

Detailed Schedule of Fees 2010 for the Suffolk Life MasterSIPP

Please also see the frequently asked questions about fees (FAQs) which form part of this schedule of fees.

All fees are subject to VAT unless otherwise stated.

	Fee	When is the fee taken?
Plan establishment charges (FAQs 1,2 and 20)		
» SIPP establishment charge	£300	at outset

Annual fees (FAQs 1, 2 and 20)

» annual administration charge	£490	in advance
» to prepare reconciled annual statement	included in annual fee	
» preparing and sending unreconciled statements of assets and liabilities	included in annual fee	

Transfers in (FAQs 4-6 and 20)

» in cash where your adviser fulfils our requirements	nil	
» in cash (per transfer)	£75 (max £300)	upon completion of transaction
» <i>in specie</i> - basic fee	£100	upon completion of transaction
- with transfers to an investment manager or fund supermarket account	additional £0	
- where investments to be held direct with the fund provider	additional £25 per holding	upon completion of transaction
- where deeds of assignment are needed	additional £25 per deed	upon completion of transaction
- where application forms and additional documentation from fund providers are needed	additional £25 per document	upon completion of transaction
	max <i>in specie</i> transfer fee £300 (per transfer, per plan)	

Transfers out (FAQ 7 and 20)

» in cash from the default SIPP bank account including where all investments are held by an e-investment affiliate and these have been sold	nil	
» in cash from the default SIPP bank account where investments held by a non e-investment affiliate have been sold	nil (normal investment transaction fees may apply)	upon completion of the transaction
» to an overseas pension scheme (must be treated as a crystallisation event). If <i>in specie</i> , the <i>in specie</i> transfer out fee also applies	£155	upon completion of the transaction
» <i>in specie</i> – basic fee	£100	upon completion of the transaction
- where investments are held with e-investment affiliate	additional £0	
- where investments are held with non e-investment affiliate	additional £25 per holding	upon completion of the transaction
- where deeds of assignment are needed	additional £25 per deed	upon completion of the transaction
- where additional documentation from a fund provider is needed	additional £25 per document	upon completion of the transaction
	max <i>in specie</i> transfer fee £300	
» forwarding to receiving scheme those monies received after the SIPP is closed	£100	upon completion of the transaction

No fees will be refunded in part or full when a transfer out is initiated. This includes but is not limited to establishment, annual and borrowing, property and income facility fees.

Detailed Schedule of Fees 2010 for the Suffolk Life MasterSIPP (continued)

Please also see the frequently asked questions about fees (FAQs) which form part of this schedule of fees.

All fees are subject to VAT unless otherwise stated.

	Fee	When is the fee taken?
Contributions and connected party transactions (FAQs 3 and 20)		
» single contributions after establishment and variations to regular contributions	in Sterling £25 in Euros or US Dollars £100	upon completion of the transaction
» refund of contribution (where allowed)	£25	upon completion of the transaction
» connected party transaction - streamlined and stockbroker (or investment manager) transactions (stockbroker fees will still apply)	£75 per holding	upon completion of the transaction
» connected party transaction - manual transactions	principally time cost estimated at around £300 per holding	upon completion of the transaction

Investing in property (FAQs 13-17 and 20)

Please note that VAT is not payable on all property fees unless otherwise stated (see FAQ 16 for further details).

» annual property facility fee (per pension plan per property)	£100 +VAT	in advance
» purchase/transfer <i>in specie</i> acquisition fee	principally time cost estimated at around £1,700 to £1,900	upon completion of the transaction
» annual property accounting fee (FAQ 15) (only for properties partly owned by Suffolk Life)	principally time cost estimated at around £600	in arrears
» annual property management fee (FAQ 14) (only for properties wholly owned by Suffolk Life)	principally time cost estimated at around £700	in arrears
» additional annual fee for VAT elected properties (per property)	£150	in arrears
» sale or disposal	principally time cost estimated at around £600 to £800	upon completion of the transaction
» variation of proportion of property ownership	principally time cost estimated at around £500 to £700	upon completion of the transaction

Other investments (FAQs 9-12 and 20)

» investments made through an e-investment affiliate (FAQ 9)	nil	
» investments not made through an e-investment affiliate in UK authorised unit trust/OEIC or insurance fund investments (per fund) (FAQ 10)	£25	upon completion of the transaction
» other investment transactions	£75	upon completion of the transaction
» establish or process transaction on an alternative deposit account (including fixed term deposit accounts)	£25 streamlined £75 others	upon completion of the transaction
» establish investment account with investment firm with whom we have a global investment agreement	nil	
» establish investment account with other investment firms (FAQ 11)	£100	upon completion of the transaction
» additional annual fee for SIPP plans containing investments not held with an e-investment affiliate	£100	in advance
» corporate action (when processed via Suffolk Life)	£25	upon completion of the transaction

Detailed Schedule of Fees 2010 for the Suffolk Life MasterSIPP (continued)

Please also see the frequently asked questions about fees (FAQs) which form part of this schedule of fees.

All fees are subject to VAT unless otherwise stated.

	Fee	When is the fee taken?
Other costs (including banking/borrowing) (FAQs 17 and 20)		
» day to day debits and credits (including BACS and cheque payments)	nil	
» CHAPS payments	£30	upon completion of the transaction
» creation of temporary overdraft facility	£35	upon completion of the transaction
» renewal of temporary overdraft facility (every 3 months)	£100	upon completion of the transaction
» establishment, variation, reduction or repayment of loan facility	time-cost	upon completion of the transaction
» annual borrowing facility fee per plan	£100	in advance
» to prepare additional reconciled valuation	time cost min £100	upon completion of the transaction

Benefits and payments (FAQs 6, 8 and 20)

» establishment of each unsecured income (UI) or alternatively secured pension (ASP) designation (per sub-plan)	£155	upon completion of the transaction
» annual income facility fee where income is taken (per sub-plan)	£155	in advance
» review of income limits (per sub-plan) (carried out at least every 5 years)	£155	Upon completion of the transaction
» annuity purchase or processing of a death or terminal illness payment	nil	

How does VAT apply to fees?

Plans are written under a trust arrangement, and therefore the fees are liable to VAT at the standard rate. Insurance arrangements are, however, exempt from VAT, and as commercial property is held via a self-invested insurance policy no VAT will apply. We will calculate all the VAT liabilities and collect these from your plan as appropriate.

Frequently asked questions about fees

Please note: references below to "we", "us" and "our" are to Suffolk Life Pensions.

Pension administration

1. What are the establishment fee and annual fee for?

The establishment fee covers the creation of the SIPP, including opening the default SIPP bank account, verification that our application form is fully completed and signed (including correct anti-money laundering documentation) and processing any initial contributions including the reclaim of tax where appropriate.

The annual fee includes the preparation of the reconciled annual statement, regular reconciliations during the year and fulfilling all regulatory requirements including all general communications.

Where appropriate, the annual fee also covers any requests to transfer out (subject to conditions) or to facilitate annuity purchase, and processing a death claim.

No fees will be refunded in part or full when a transfer out is initiated. This includes but is not limited to establishment, annual and borrowing, property and income facility fees.

2. Can I hold my benefits separately?

By default, the Suffolk Life MasterSIPP holds both non-protected rights and protected rights within the same plan.

Usually one SIPP plan will be sufficient to meet your needs. However, should you, upon consultation with your adviser, choose to establish more than one plan we will charge the following:

- £150 establishment fee for the second pension entitlement

- All other fees will be charged in full, as above, for the second entitlement

3. How do the fees for contributions work?

There are no fees for any contributions made at the point of the SIPP being established, whether they be single or establishing a regular contributions by Direct Debit. Once the SIPP has been established, a separate fee applies to additional single contributions as well as any changes to existing regular contributions in place via Direct Debit or standing order.

4. How do the fees for the transfer in of cash benefits work?

If the adviser presents correctly completed discharge forms together with the SIPP application, and is prepared to chase the transferring pension scheme up to the point of the transfer being executed, no transfer fee will apply. Alternatively if we arrange it we will charge £75 per transfer, and if handling multiple scheme transfers at the same time, this fee will be capped at £300.

5. How do the fees for an *in specie* transfer in work?

An *in specie* transfer is a more complex transaction for us to coordinate, and will also require the involvement of an adviser. Our costs will depend on how the assets are to be held. The *in specie* transfer fee is payable in addition to any property fees which are due if a property is transferred *in specie*.

6. How do you charge for the transfer in of partially crystallised funds?

A transfer of crystallised and uncrystallised benefits will attract only 1 transfer in fee (if applicable). For each separate crystallised element of the transfer, a sub-plan will be established and will attract fees for UI or ASP designation fee. In addition, annual income fees will be applicable for each sub-plan where income is being taken.

7. Do you charge for transfers out?

We do not charge for transfers out that consist solely of cash to a UK pension scheme (a transfer to an overseas pension scheme is chargeable as a crystallisation event). However we do charge transaction fees to disinvest assets to cash. No fees will be refunded in part or full when a transfer out is initiated. This includes but is not limited to establishment, annual and borrowing, property and income facility fees. Dividends and other monies may still be received by Suffolk Life following the transfer out and subsequent closure of the SIPP. These will be amalgamated over a period of 6 months after closure of the SIPP and forwarded to the receiving scheme less our fee. Should the fee exceed the value of the total value of the funds received in that time, no transfer will be made and Suffolk Life will retain the funds.

Fees for assets transferred out *in specie* are dependent on how the assets are held.

Crystallisation and income withdrawal

8. What are your charges for going into unsecured income (UI) or alternatively secured pension (ASP) for?

The UI or ASP designation fee covers the work required to reconcile and revalue the SIPP in accordance with legislation and then pay benefits. If an investor elects to pool and subsequently crystallises their non-protected rights and protected rights at the same time the investor will only be subject to one fee to establish the UI or ASP designation.

If you choose to take income, an annual income facility fee will then be charged for each sub-plan from which income is taken in any year. This covers the administration of PAYE payroll, deduction of tax if required and making the appropriate returns to HMRC. Also included is the facility to vary the level and frequency of income payments.

Investment related fees

9. Why do you charge for transactions not made through e-investment affiliates?

Where an investment manager, broker or fund supermarket does not supply electronic data in a form acceptable to us, we must receive paper contract notes and manually enter these into our systems, hence the charge. A purchase and sale are regarded as two transactions.

10. Is a single authorised unit trust/OEIC or TIP application for two funds one or two transactions?

This will count as two transactions. When we complete an application form for a directly held unit trust, OEIC or insurance company TIP, we apply a transaction fee for each individual fund purchased or sold but we cap the charge at £75 so a single application for three or more funds will attract a maximum charge of £75.

11. Why are fees charged to set up some investment manager accounts and not others?

If you ask us to open an account with an investment manager with whom we have already been able to agree a global investment agreement, the account opening process is streamlined and so we do not charge an account opening fee. For other organisations we will need to enter into a manual multi-party investment agreement.

You can find an up-to-date list of organisations with whom we have a global investment agreement on our website.

12. Do your fees include the stockbroker's, etc, fees?

No, our investment transaction fees relate to the recording and reconciling of investment transactions by us and do not include stockbroker, investment manager or nominee fees and charges.

Property fees

13. How do you calculate fees for dealing with the purchase of property?

Our fee is principally time based reflecting time expended and the degree of responsibility involved. We will usually instruct the solicitor and valuer of your choice, giving you the opportunity to negotiate rates with them. Their fees, together with all disbursements relating to the acquisition, sale or management of any property, are payable from your SIPP.

14. What do you do for your property management fee?

We deal with all general property management issues including invoicing the tenant for rent, chasing any rent arrears, insuring the property on our block policy, invoicing the tenant for the insurance premium, making loan repayments and dealing with tenants' requests concerning matters such as assignments, underlettings and alterations. This fee is charged to the property account so where we wholly own the property on behalf of more than one SIPP plan it will be paid by each plan on a pro rata basis in accordance with the ownership percentage. This fee applies only to the properties wholly owned by Suffolk Life and not those jointly owned by Suffolk Life with another party. Property inspections are not included in the property management fee.

15. What do you do for your property accounting fee?

This fee does not apply when we wholly own a property on behalf of SIPP plan holders. Instead, it applies when we own a share of the beneficial interest in the property and the legal title is held by a nominee.

The fee covers our time spent:

- corresponding with the nominee;
- chasing the nominee for accounting information if necessary receiving funds from and transferring funds to the nominee;
- reconciling the nominee's accounts;
- posting this information on our system; and
- obtaining and recording details of the property insurance where the nominee insures or insuring the property where it has been agreed we will arrange the insurance.

This fee is charged to the property account so where we own a beneficial interest in the property on behalf of more than one SIPP plan it will be paid by each plan on a pro rata basis in accordance with the ownership percentage.

16. Do you charge VAT on property fees?

When we acquire a property or an interest in a property it is through Suffolk Life Annuities Limited (an authorised insurance company) or its nominee. Because insurance business is currently exempt from VAT, there is no VAT payable on any fees relating directly to the property investment. This includes the acquisition fee, management fee, accounting fee and the fee for VAT elected properties, but not the annual property facility fee.

Borrowing

17. What are the fees if my SIPP borrows money?

If your SIPP borrows to purchase property, the initial costs of dealing with the mortgage will be charged for principally on a time-cost basis as part of the overall purchase process.

If your SIPP borrows for any other purpose, there is a fee for arranging the loan and a facility fee for ongoing maintenance and monitoring of the loan, as set out in preceding pages of this schedule. Additional fees will be charged on a time-cost basis should the borrowing be varied, such as part or full repayment.

General

18. Do you charge interest on overdue fees?

Interest is charged at 2% above Bank of Scotland base rate per annum on overdue fees payable to us after 30 days.

19. When are fees due?

Fees and interest are automatically payable from your SIPP on the appropriate date.

Payable in advance

The establishment fee and the first annual fee are due on the commencement date (as defined in your membership schedule). Subsequent annual fees are paid from your SIPP in advance on each subsequent anniversary. The income facility fee, property facility fee and borrowing facility fee when applicable are payable in advance. The first property facility fee is charged from the time it becomes payable to the next anniversary on a pro rata basis.

Payable in arrears

The property management fee and property accounting fee are taken in arrears. All other fees quoted are paid from your SIPP on completion of each transaction.

20. Do your fees increase?

We may increase fees annually by a percentage not materially exceeding the percentage increase in the monthly National Average Earnings index (the NAE) over the previous year. If the NAE ceases to be published or if the calculation of the NAE is altered we may substitute a comparable index.

We may at any time increase or amend all or any of our fees or charges payable from your SIPP in such a manner as we may determine.

We will give you three months' notice where we amend or increase any fees by an amount materially exceeding the percentage increase in NAE.

21. Do you receive any other income in relation to my SIPP?

Yes. Where the rate of interest earned by any SIPP bank account is less than the interest paid to Suffolk Life across all the accounts that Suffolk Life has with them, we will retain the difference.

We will also make arrangements for insuring, on our block policy, property held for your SIPP. If any income is earned by us in respect of such arrangements, we will retain it.

In certain circumstances we may also receive income from investment transactions (including transactions using Stocktrade) and the holding of investments by an investment firm (including those on the Cofunds platform).

22. Additional fees

We reserve the right to charge for additional services on a time-cost basis relevant to the expertise and seniority of our staff involved.

23. Is there anything else I should know?

If any of your SIPP's funds remain uninvested in the SIPP bank account, interest will be paid at the applicable rate. See the relevant Key Features document or go to our website for further details.

All expenses, charges and outgoings whether in respect of the investments contained in your SIPP (including the costs of purchase, sale, management, maintenance and valuation of freehold and leasehold properties, if any, and other investments) or other expenses however incurred shall be charged to your SIPP.

In the event of any levy or taxation being imposed on your SIPP under any statutory provision we may recover from your SIPP an amount equal to the proportion of such levy or taxation that we may reasonably determine. This will be on a basis similar to how the levy, tax, liability, charge or other payment has been calculated.

Glossary and Explanation of terms

Administration	The process of looking after the SIPP on an ongoing basis. This includes but is not limited to many things such as providing a reconciled annual statement, setting up any initial regular contributions and reclaiming tax where appropriate.
Connected party transaction	The process by which the SIPP plan can purchase or sell assets directly from or to the individual or certain other parties.
Corporate action	An event initiated by a public company or collective investment scheme that affects the securities issued by that company and requires a response from Suffolk Life.
Crystallisation	The act of starting to take benefits (tax-free pension commencement lump sum and/or income) from the SIPP. It may also be called 'vesting'.
e-investment affiliate	A company with whom we're able to exchange information electronically, cutting out the need to manually handle paper.
Establishment	The creation of a SIPP plan to the point where it is ready to be used.
Global agreement	An agreement between an investment manager or broker and Suffolk Life, which removes the need for individual investment agreements for each SIPP plan, resulting in lower SIPP administration costs for the investor.
In specie	The transfer of an asset other than cash from one pension provider to another.
Investment firm	A firm appointed by the plan holder to manage the investments within the SIPP on their behalf or act on an execution-only basis.
Lifetime annuity	A policy issued by an insurance company which provides a guaranteed income for life in exchange for a lump sum (your accumulated SIPP fund).
OEIC	Open ended investment company a type of collective investment scheme.
Protected rights	This is the name given to the fund built up by contracting out of the state second pension.
Tax reclaim	In most cases pension contributions receive tax relief and we reclaim 25p from HM Revenue and Customs for each £1 you pay as a contribution to your pension. This is added to your fund.
TIP	Trustee investment plan.
Transfer in	Transferring the value of pension benefits from an existing pension scheme to your SIPP either in cash or <i>in specie</i> (see above).

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 Pensions Limited is the operator and scheme administrator of the Suffolk Life MasterSIPP.

Suffolk Life Trustees Limited (registered in England and Wales number 6341296) is the trustee.

Suffolk Life Annuities Limited is an insurance company that provides the trustee investment plans to the trustee to hold commercial property investments.

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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