

Terms & Conditions

of 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

SIPP

SUFFOLKLIFE

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This is an important document which sets out the terms and conditions of **your SIPP** and how it will be operated. Additionally, if **you hold property in your SIPP** or have **protected rights** held in a **Trustee Investment Plan** issued by Suffolk Life Annuities Limited (this may be applicable if **you** applied for your MasterSIPP between 1 October 2007 and 15 March 2010), **you** should also read the Appendices.

If **your SIPP** was established before 6 April 2011, these terms and conditions replace any earlier **terms** between **you** and **us**.

If you have any questions relating to these terms you can either speak to **your adviser** or contact **us** directly.

1 Understanding this document

- 1.1 This document is set out in numbered paragraphs and sub-paragraphs. References to a paragraph includes all of its sub-paragraphs.
- 1.2 Paragraph 1 sets out the meaning of words and expressions used in this document and these defined words are printed in bold each time they are used. To make this document easier to read, **we** have sometimes also repeated these definitions in the main text.
- 1.3 Some explanatory notes are highlighted by the use of information boxes which appear directly below the content and are marked with a * symbol: these are intended to help explain the **terms** more clearly, but they do not form part of these **terms** and if there should be any conflict between the explanatory notes and these **terms**, these **terms** will take precedence.

* These notes aim to provide helpful explanation, but they don't have any legal effect.

- 1.4 Headings and sub headings in these **terms** are for ease of reference only and do not form part of these **terms**.
- 1.5 References to "**we**", "**us**", "**our**" or "**ourselves**" in these **terms** are references to Suffolk Life Pensions Limited of 153 Princes Street, Ipswich, IP1 1QJ, as **scheme administrator** and operator of the **scheme**. Subject to paragraph 18.2, references to "**you**", "**your**" or "**yourself**" are to **you** as a member of the **scheme** following acceptance by **us** of a properly completed and signed application form. It also, where appropriate, includes **your** personal representatives after **your** death and any person who is entitled to receive benefits (other than lump sum benefits) following **your** death.
- 1.6 The words and expressions in the boxes overleaf have the meanings listed below (please note that if **your SIPP** invests in **property**, there are some additional definitions set out in the Appendices).
- 1.7 Any reference to a statute includes any re-enactment or modification of it and any regulations made under it.

Expression	What it means in this document
adviser	a financial adviser who is authorised and regulated by the FSA and is appointed by you to receive communications in respect of your SIPP and to give instructions on your behalf on all matters concerning your SIPP including buying and selling investments.
agent	a person whom you appoint in accordance with paragraph 18.1 to act on your behalf in relation to your SIPP or any part of your SIPP.
annual allowance	the maximum that you, your employer or a third party can pay into all your pension plans in a pension input period ending in any given tax year without penalty. The annual allowance for the tax year 2011/12 is £50,000.
arrangement	a part of your pension by reference to which the benefits payable are set. An arrangement can be your whole interest under a pension scheme or a part of your interest, so that you can have more than one arrangement under a pension scheme. Legislation governing pension schemes generally applies to each arrangement separately and so it may be necessary (or helpful to you) for your pension to be split into more than one arrangement.
bank	the Bank of Scotland and/or such one or more other approved credit institution(s) as we (or in respect of property investments, Suffolk Life Annuities) may from time to time decide.
business day	any day (other than a Saturday) on which banks are generally open in London for transacting normal banking business.
capped drawdown	a way of taking a pension income directly from your drawdown pension fund.
connected party	a person is connected with you if that person falls within the definition of a connected person in section 993 of the Income Tax Act 2007. This includes amongst others, your spouse, registered civil partner, children, parents, siblings and other direct descendants and ancestors of you and your spouse or registered civil partner
contribution	a payment made into your SIPP by you, your employer or a third party.
costs	includes fees, charges and expenses and other amounts referred to in paragraph 19.3.
crystallise	the term used to describe taking benefits from your SIPP. When you decide to take benefits from all or part of your SIPP you are deemed to have crystallised all or a portion of your SIPP.
dependant	a person who at the date of your death is: <ul style="list-style-type: none"> a. your spouse or registered civil partner; b. your natural or adopted child: <ul style="list-style-type: none"> i. under the age of 23; or ii. aged 23 or over and in our reasonable opinion is dependent on you because of physical or mental impairment; c. not your spouse, registered civil partner or child and in our reasonable opinion is: <ul style="list-style-type: none"> i. dependent on you because of physical or mental impairment; ii. financially dependent on you; or iii. financially inter-dependent with you.
drawdown pension fund	the part of an arrangement which is in capped drawdown or flexible drawdown (even if you are not taking an income).

Expression	What it means in this document
flexible drawdown	<p>an alternative to capped drawdown that allows unlimited pension income withdrawals from your drawdown pension fund in respect of non-protected rights benefits. You must meet the conditions in section 165 of the Finance Act 2004. In general terms, these conditions are that:</p> <ol style="list-style-type: none"> a. you complete, and we accept, a declaration from you that: <ol style="list-style-type: none"> i. no contributions have been paid to any of your registered pension schemes in the tax year of the declaration; and ii. you are not an active member of a defined benefit pension scheme. b. you are receiving an income of at least a minimum amount per annum (the minimum has been set at £20,000 pa from 6 April 2011) from the following sources: <ol style="list-style-type: none"> i. State pensions; ii. Lifetime annuities from registered pension schemes; iii. Pensions from defined benefit pension schemes and similar types of registered pension scheme; and iv. Pensions from certain overseas schemes. <p>Some other types of income, including capped drawdown and flexible drawdown, do not count towards the minimum annual amount.</p>
force majeure	as described in paragraph 22.2.
FSA	the Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS.
HMRC	HM Revenue & Customs.
in specie	the transfer of investments from one party to another without selling the investments .
insurance company	as described in section 275 of the Finance Act 2004. *
* This includes insurance companies in the United Kingdom and the European Economic Area.	
investment	any stocks, shares, units or other securities, property , loans, cash deposits or other investments, or rights to or interests in such investments.
investment manager	a person or organisation appointed in accordance with paragraph 8.1.*
* You can ask us to appoint an investment manager to handle investment transactions for your SIPP. The investment manager can be appointed to act on an execution-only basis (where you – or your agent – make all the investment decisions), or on an advisory or discretionary basis. The term investment manager also includes platform providers. Details are set out in paragraph 8.	
lifetime allowance	the standard amount an individual may accumulate within all pension plans during their lifetime without a tax penalty. You may have a personal lifetime allowance that is different from the standard lifetime allowance.
lifetime annuity	a contract bought from an insurance company that provides an income guaranteed for life, purchased by a lump sum such as an accumulated pension fund.*
* A lifetime annuity is often paid monthly for the rest of your life and can continue to be paid to a dependant such as a spouse or registered civil partner after your death. It can be for a fixed amount or can increase each year, for example according to changes in the cost of living.	
market value	the price an investment may reasonably be expected to fetch on the open market calculated in accordance with section 272 of the Taxation of Chargeable Gains Act 1992.
non-protected rights	the part of your SIPP which does not relate to protected rights .
order of disposal policy	our policy that sets out the actions we will take where it is necessary to raise funds to settle outstanding liabilities on your SIPP where you have not arranged for sufficient funds to be available in the SIPP bank account . A copy is available from us on request and will be sent to you before applied.

Expression	What it means in this document
pension input period	the period in which contributions made to all registered pension schemes are tested against the annual allowance .
personal lifetime allowance	the total value you may accumulate within all pension plans during your lifetime without a tax penalty. This may be different from the standard lifetime allowance .
property	includes land and interests in land.
protected rights	any pension rights arising as a result of being contracted-out of the State Second Pension or, previously, the State Earnings Related Pension Scheme (SERPS) and which have been transferred to the scheme .*
* Protected rights benefits can arise if you have been contracted out of the State Second Pension (formerly SERPS). It has been proposed that protected rights will be abolished from 5 April 2012.	
schedule of allowable investments	the current schedule published by us listing the types of investment which may be held by your SIPP .
schedule of fees	the current schedule published by us setting out the fees and charges which will be due in respect of your SIPP .
scheme	the Suffolk Life Appropriate SIPP, a registered pension scheme established under the trust deed and rules . The HMRC reference number for the scheme is 00690610RC*
* The Suffolk Life MasterSIPP is a self invested personal pension product issued under the scheme.	
scheme administrator	the person responsible for fulfilling certain functions including accepting contributions , paying benefits, providing reports to HMRC and paying certain tax charges.
SIPP bank account	the designated bank account of the trustee opened with the bank for the purposes of your SIPP in accordance with paragraph 6.1.*
* Your SIPP will have its own bank account and all monies paid into your SIPP will be credited to that account and benefits will be paid from it. Unless an investment manager has been appointed, investment income and proceeds from investments will be credited to the SIPP bank account and, when investments are purchased, these will be paid for from the bank account. More details are in paragraph 6.	
Suffolk Life Annuities	Suffolk Life Annuities Limited, an insurance company registered in England under company number 1011674 of 153 Princes Street, Ipswich, IP1 1QJ.
Suffolk Life Group	us , any of our subsidiaries or any holding company of ours , or any subsidiary of any such holding company. "Subsidiary" and "holding company" have the meanings given to them in Section 1159 of the Companies Act 2006.
taxable property	assets that attract a tax charge if held directly or indirectly (i.e. within certain investments unless covered by specific exemptions) by your SIPP which includes residential property and physical assets such as cars, art or stamps.
terms	the terms and conditions of your SIPP , as set out in this document including the Appendices and in the other documents referred to in paragraph 3.1 below, as updated from time to time.
trust deed and rules	the trust deed under which the scheme was established, together with the rules attached to the trust deed, as changed from time to time. This trust deed was signed by Suffolk Life Annuities , by the trustee and by us on 5 September 2007.
trustee	Suffolk Life Trustees Limited, a company registered in England under company number 6341296 of 153 Princes Street, Ipswich, IP1 1QJ, which has been appointed under the trust deed and rules to act as trustee of the scheme or its successor.
trustee investment plan	an insurance contract issued by Suffolk life annuities to the trustee in which property investments are held.
uncrystallised	the whole or part of an arrangement from which benefits have not been taken.
your SIPP	the Suffolk Life MasterSIPP in which you have invested. References to your SIPP include any investments or benefits held within it.

2 Legal and regulatory information

- 2.1 **Your SIPP** is established under the **scheme**. The **scheme** was established by **Suffolk Life Annuities** and **us** and is registered with **HMRC**. The **trustee** will hold all the assets of the **scheme** in accordance with the **trust deed and rules**. **We** are the operator and **scheme administrator** of the **scheme** and the company with whom **you** are contracting in respect of **your SIPP**. **We** administer the **scheme** in accordance with the **trust deed and rules**. In the event of any conflict in these **terms** with the **trust deed and rules**, the **trust deed and rules** will take priority.
- 2.2 Both **we** and **Suffolk Life Annuities** are authorised and regulated by the Financial Services Authority (**FSA**). Both **we** and **Suffolk Life Annuities** are each entered on the **FSA** Register. **Our FSA** register number is 116298 and **Suffolk Life Annuities'** **FSA** register number is 110468. **You** can check this information on the **FSA's** Register by visiting the **FSA's** website www.fsa.gov.uk/register or by contacting the **FSA** on 0845 606 1234.
- 2.3 **Your SIPP** is a contract between **you** and **us**. These **terms** give benefits to **Suffolk Life Annuities** and to the **trustee** and **you** agree that these **terms** are enforceable by them. Subject to that, **you** agree that nobody else has any rights under the Contracts (Rights of Third Parties) Act 1999 in relation to these **terms**.
- 2.4 **We** will treat **you** as a retail client (as defined by the **FSA**) in respect of the services **we** will provide **you**, which means that **you** will benefit from the highest level of customer protection. This means that **we** will provide **you** with information in a more straightforward way than **we** would to a financial services company.
- 2.5 These **terms** (and any policies issued by **Suffolk Life Annuities** in connection with these **terms**) shall be governed by and interpreted in accordance with English law.

3 Your membership of the scheme

- 3.1 By signing the application form for **your SIPP**, **you** are agreeing to establish **your SIPP** and to become a member of the **scheme** on these **terms**. **You** are also accepting:
- the **trust deed and rules**;
 - the **schedule of allowable investments**;
 - the **schedule of fees**;
 - the *Suffolk Life MasterSIPP key features* document; and
 - where **your SIPP** invests in **property** a *guide to SIPP property purchase, property insurance notes, property form and group investment agreement* (where applicable).
- These are available from **our** website, **your adviser** or on request from **us** and form part of these **terms**. By giving **us** instructions or issuing requests to **us** in relation to **your SIPP**, **you** will be confirming **your** acceptance of these **terms** as amended by **us** from time to time in accordance with paragraph 26.2.
- 3.2 As a member of the **scheme**, **you** can choose subject to the then current **schedule of allowable investments** how the assets making up the value of **your SIPP** are to be invested. The operation of this is explained in detail in paragraphs 6 to 11 below. Benefits under **your SIPP** will be determined wholly by reference to the value of the assets and liabilities which are held in respect of **your SIPP**, including the balance on the **SIPP bank account**.
- 3.3 If **you** have both **non-protected rights** and **protected rights** benefits within **your SIPP**, these will be held as one so that you have a single sum available for **investment**. **We** will keep track of what proportion of the total fund represents **protected rights** and what proportion represents **non-protected rights**. **Your SIPP** will represent a single **arrangement** for the purposes of the **scheme**, although **we** may decide that it should be split into two or more separate **arrangements** or where **we** are required to set up one or more separate **arrangements** to receive transfers of already **crystallised** benefits.
- 3.4 **You** may request that **protected rights** and **non-protected rights** be held separately in which case **we** will establish two plans. Each plan will be subject to **our** standard fees.

3.5 Each **arrangement** is initially treated as 1,000 separate units. **Contributions** and transfers will be apportioned equally among all the separate units from which benefits have not been taken or which have not been cancelled for partial transfers out.*

* 3.5 Dividing your SIPP into separate units gives you more options in drawing benefits.

3.6 If **you** are under 18 **your** legal guardian must sign the application form for **your SIPP** on **your** behalf. **Your** legal guardian will then be responsible for **your SIPP** as if they were the member until **you** reach the age of 18. Until **you** reach the age of 18, only **your** legal guardian will therefore be able to give instructions to **us** on **your** behalf. All **your** other rights and obligations under these **terms** will apply to **your** legal guardian until **you** reach the age of 18 at which point they automatically apply to **you**.

4 Contributions

4.1 **You** and/or any other person, subject to any requirements that **we** have for verifying the other person's identity, may make **contributions** to **your SIPP** at any time.

4.2 **Your** own personal **contributions** will normally be treated as being paid net of basic rate tax, which **we** will seek to reclaim from **HMRC** if and to the extent **you** are entitled to tax relief on that **contribution**. **You** are responsible for informing **us** if **you** are not entitled to tax relief on the whole or part of a **contribution**. Any sum reclaimed will not be available for **investment** until it is received from **HMRC**, which will normally take between 6 and 11 weeks from the date of **your contribution**. **You** are responsible for claiming any higher rate tax relief to which **you** are entitled.

4.3 Any **contributions** paid by **your** employer will be paid gross.

4.4 **You** will only be eligible for tax relief on **your contributions** if the **contribution** is paid before **you** reach age 75 and **you** are a UK relevant individual and the level of **contributions** made to any pension scheme in a tax year does not exceed £3,600 (as amended by the Government) or 100% of **your** earnings (whichever is higher) but subject to the **annual allowance**.

A UK relevant individual is one who:

- a. has relevant UK earnings chargeable to income tax for that year;
- b. is resident in the UK at some time during that tax year;
- c. was resident in the UK at some time during the five tax years immediately before the tax year in question and was also resident in the UK when the individual joined the pension scheme;

- d. has general earnings for that tax year from overseas Crown employment subject to UK tax (as defined by Section 28 of the Income Tax (Earnings and Pensions) Act 2003); or
- e. is the spouse or registered civil partner of an individual who has general earnings for that tax year from overseas Crown employment subject to UK tax (as defined by Section 28 of the Income Tax (Earnings and Pensions) Act 2003).

4.5 All **contributions** must be expressed in sterling.

4.6 **Contributions** may be single **contributions** or regular payments and can be paid via direct debit, direct credit, telegraphic transfer or cheque. **We** will also accept **investments** in satisfaction of **contributions** as explained further in paragraph 4.10 below.

4.7 The value of a **contribution** is up to **you** and the amount of any **contribution** is not subject to any minimum. However **you** will not receive tax relief on **contributions** that exceed **your** UK relevant earnings or which exceed the **annual allowance** (as increased by any **annual allowance** that **you** have not used from the previous three tax years to the current tax year, although **you** must use the current tax year's allowance first, providing that **you** were a member of a registered pension scheme in that year).

4.8 When making a **contribution** **you** should have regard to the **annual allowance**. If the total payments to all of **your** pension plans are less than the **annual allowance** in one tax year, **you** may be able to carry forward any unused **annual allowance**. **We** recommend that **you** speak to **your adviser**. Any amount paid into a pension above the **annual allowance**, as increased by the carry forward rules, will be subject to a tax charge at **your** marginal rate.

4.9 After giving **you** at least 90 days' prior written notice **we** may specify the minimum amount of any **contribution**, vary any other requirements subject to which **you** may pay any **contribution** or refuse to accept any further **contributions** that **we** receive from **you**. Should **you** not agree with these changes **you** will be able to transfer **your SIPP** to another pension scheme in accordance with the **terms** under paragraph 26.3.

4.10 Subject to **our** agreement on each occasion and to any **HMRC** requirements, a **contribution** may be satisfied by a transfer to **us** of assets. The **terms** of any such transfer, including the payment of **costs**, and the process that should be followed in making such a **contribution** are set out in the '*In Specie Contribution, Your 'how to' guide*'.

- 4.11 If **you** make a **contribution** to **your SIPP** which, with **contributions** to other registered pension schemes, is in excess of the amount on which **you** are entitled to tax relief, **we** may agree to repay the excess **contributions** to **you**, **your** employer or third party, provided that sufficient monies are available in **your SIPP** and **we** are satisfied that any amounts due to be repaid to HMRC have been repaid out of **your SIPP**. If insufficient monies are available in **your SIPP**, **we** may dispose of assets in accordance with **our order of disposal policy**, to repay **you** or HMRC. If **you** have taken benefits under **your SIPP** or transferred out of **your SIPP**, **you** agree to be responsible for any losses and/or expenses in respect of any tax due to HMRC as a result of any excess **contribution** being paid that arise from any untrue, misleading or inaccurate information deliberately or carelessly given by **you** or on **your** behalf.
- 4.12 If, in relation to a **contribution** paid into **your SIPP**, **we** act on **investment** instructions given under paragraph 9 before the **contribution** is received in cleared funds and that **contribution** subsequently fails to clear **we** may dispose of assets in accordance with **our order of disposal policy**. If the amount received upon the disposal of such assets is less than the cost of acquiring them, **we** will be entitled to charge to **your SIPP** an amount equal to the excess of the purchase cost over the amount received on disposal. **We** will notify **you** of the charge.
- 4.13 Unless **you** inform **us** otherwise, the **pension input period** for **your SIPP** will be from 6 April to 5 April each year (this is not a nomination by the **scheme administrator**).*

* 4.13 A pension input period is specific to a registered pension scheme and is used to test all your pension contributions against the annual allowance. Where the total of all contributions to all registered pension schemes made during pension input periods for each scheme ending in any one tax year are more than the annual allowance, except in specific circumstances, you will be liable to an annual allowance charge.

- 4.14 **Your SIPP** cannot be used to contract out of the State Second Pension to receive minimum contributions from the National Insurance Contributions Office.

5 Transfers in

- 5.1 Other pension benefits from a registered pension scheme may be transferred into **your SIPP**, subject to **our** consent, applicable legislation and HMRC rules.*
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- * 5.1 If **you** have benefits in other pension schemes, it may be possible for **you** to transfer these into **your SIPP**. This is a specialist area and **you** should take appropriate advice first.
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- 5.2 It is **your** responsibility to ensure that a transfer of pension benefits is in **your** best interests. **You** should take independent advice from a suitably qualified adviser. Neither **we** nor the **trustee** give or are authorised to give advice, nor do **we** or the **trustee** check **your** transfer application for suitability.
- 5.3 A transfer from a registered pension scheme may be made in cash or in **specie**. Where **you** would like the transfer to be carried out on an in **specie** basis, **you** must provide **us** with details of the assets to be transferred prior to the transfer being initiated. Certain assets may not be allowed within **your SIPP**, therefore **we** can not guarantee that **we** will be able to accept a transfer in **specie**.
- 5.4 Where benefits from a registered pension scheme have been transferred to **us**, **we** will issue **you** with a cooling off notice which gives **you** the right to cancel the transfer. **You** will have 30 days from receipt of the cooling off notice to change **your** mind. If **you** do change **your** mind about the transfer, **we** cannot guarantee that the pension provider who transferred the benefits to **us** will receive them back and **you** may therefore need to find a suitable alternative pension provider.
- 5.5 If, in relation to a transfer paid in respect of **your SIPP**, **we** act on **investment** instructions given under paragraph 9:
- before the transfer is received in cleared funds and that transfer subsequently fails to clear; or
 - before receiving a valid notice of cancellation signed by **you**;
- we** may dispose of assets in accordance with **our order of disposal policy**.
- If the amount received upon the disposal of such assets is less than the cost of acquiring them, **we** will be entitled to charge to **your SIPP** an amount equal to the excess of the purchase cost over the amount received on disposal. **We** will notify **you** of the charge.

6 SIPP bank accounts

Default SIPP bank account

6.1 On receipt, all monies are deposited in the **SIPP bank account**. We will operate the **SIPP bank account** on behalf of the **trustee** and we will be the authorised signatory.*

* **6.1 A separate bank account is set up for each SIPP: contributions and transfers are paid into this account and benefits are paid from it. Unless an investment manager has been appointed, all investment transactions will be processed through your SIPP bank account. So, when investments are bought or expenses are paid, those are paid for from the bank account. Similarly, when investments are sold, and when income is received, those are credited to the bank account. If an investment manager has been appointed, then that manager may operate a separate bank account to handle transactions arranged by that investment manager. If your SIPP also holds monies in respect of property, a separate bank account will be opened for these in accordance with Appendices B and C.**

6.2 Cleared credit balances in the **SIPP bank account** will earn interest at varying rates depending on the amount deposited. Interest is calculated gross on a daily basis and is credited to the **SIPP bank account** monthly. The rates of interest are based on the **bank's** base rate, which in turn generally mirrors the Bank of England base rate, and are paid on the whole balance, not just the part above the threshold.

The rates of interest at March 2011 are:

Account balance	Interest paid
£0 to £49,999.99	1% below the bank's base rate
£50,000 to £249,999.99	0.5% below the bank's base rate
£250,000 and over	0.25% below the bank's base rate

Provided the **bank's** base rate does not fall below zero, the **SIPP bank account** will receive the higher of:

- the above rates; or
- zero

Should interest rates fall below zero we will contact **you** and notify **you** of the situation and provide **you** with three months' notice of any change to **our** current policy.

6.3 The account balance bands and the variation from the **bank's** base rate may change in the future. The relevant interest rates at any time in the future will be available on **our** website or on request.

6.4 Where the interest earned by the **SIPP bank account** is less than the interest paid by the **bank** to the **Suffolk Life Group** across all the accounts the **Suffolk Life Group** has with them, we will keep the difference.

6.5 For effective operation of **your SIPP**, we require **you**, at the time of making an **investment** or on transferring funds to an **investment manager**, to maintain a minimum balance in the **SIPP bank account**, appropriate to the regular transactions in **your SIPP** (e.g. drawdown income payments, loan repayments, fees, etc). We will advise **you** of this each time **you** ask **us** to make an **investment**

or transfer funds to an **investment manager**. You are required to ensure that there are sufficient funds in the **SIPP bank account** to meet any expected single or regular payments (including **our** fees). If there are insufficient funds in the **SIPP bank account** to make such payments, including payment of any benefits to **you**, we will not make the payment.

6.6 If:

- a. **you** give **us** instructions under paragraph 9 to acquire an **investment**, the amount to be invested will be transferred from the **SIPP bank account** to a central clearing client account held by **us** when we process **your** instruction;
- b. we are required to pay expenses (including fees to an **adviser** authorised by **you**), the amount of the expenses will be transferred from the **SIPP bank account** to a central clearing client account held by **us** when we process the payment;
- c. **you** request income payments to be made to **you** under paragraph 12, the gross amount of such payments will be debited to the **SIPP bank account** up to 5 **business days** prior to the payment date and transferred to a central clearing client account held by **us**;
- d. we reclaim tax on **contributions** made by **you** under paragraph 4.2, a single reclaim will be made in respect of all such **contributions** paid to the **scheme** and the resultant tax reclaim will be credited to a central clearing client account held by **us** pending allocation to **your SIPP**; or
- e. we deduct tax under PAYE from income payments made to **you**, that tax will be credited to a central clearing client account held by **us** pending payment to **HMRC**.

We will retain any interest arising on any such central clearing client account.

Alternative deposit accounts

6.7 In order to allow **your SIPP** to hold deposit accounts other than at the **bank**, we have established alternative bank accounts (each referred to below as an alternative deposit) with a number of other banks. The current banks are listed on our website and in the **schedule of allowable investments**. The alternative deposit accounts are in addition to any fixed term deposits held for **your SIPP** - see paragraph 7.6.

6.8 The alternative bank accounts will always be in addition to the default **SIPP bank account**. The alternative deposit accounts are investment accounts and transfers to and from the alternative deposit accounts will incur investment transaction fees as set out in the **schedule of fees**. All cash transactions (including settlement of transactions, payment of income and receipt of **contributions**) will continue to be made through the **SIPP bank account**.

- 6.9 The alternative deposit accounts are pooled accounts held either in the name of the **trustee** as **trustee** of the **scheme** or by **us** as client accounts. The funds of **your SIPP** will therefore be pooled with those of other clients.
- 6.10 Interest on these alternative deposit accounts will be paid gross and credited to **your SIPP bank account** on a monthly basis. The basis of the rate of interest **your SIPP** receives from the alternative deposit accounts are, and at any time in the future will be, as set out in the current **schedule of allowable investments** or on **our** website.
- 6.11 Where the interest earned by **your SIPP** from the alternative deposit account is less than the interest paid by the respective bank **we** will keep the difference.

7 Investments

- 7.1 **You** may ask **us** to invest amounts credited to the **SIPP bank account** in accordance with paragraphs 8,9 and 10. Where the **investments** are traded on an investment exchange an **investment manager** must be appointed in accordance with paragraph 8 and all **investment** instructions must be given direct to the **investment manager**.*

*** 7.1 You choose what to invest in subject to these terms and other legal, tax and regulatory rules. Details are set out in this (and the following) paragraphs.**

- 7.2 **Investments** held for **your SIPP** will be held by the **trustee**, or on the **trustee's** behalf by an **investment manager**, nominee or third party custodian (being a party that holds **investments** on behalf of **your SIPP**). The **trustee** will act only in accordance with directions given to it by **us**. **Your** entitlement as a member of the **scheme** is to pension benefits calculated in accordance with these **terms** based on the net value of the **investments** and other assets comprising **your SIPP** after deduction of **costs** and any liabilities.
- 7.3 Any **investment** income or capital gains arising from the assets of **your SIPP** and interest earned on the balance on the **SIPP bank account** and any alternative bank accounts held will be credited to, and form part of, the assets of **your SIPP**. Any loan or interest expense relating to **your SIPP** will be debited to, and form part of, the liabilities of **your SIPP**.
- 7.4 A member of the **Suffolk Life Group** may receive discounts, rebates, commissions or other payments relating to the **investments** of **your SIPP**. In this event, **we** will have notified **you** prior to **our** entitlement arising relating to the **investments** of **your SIPP**. The amount will not be credited to **your SIPP** but will be retained by the relevant member of the **Suffolk Life Group**.

- 7.5 **We** may direct the **trustee** or **investment manager** to dispose of any **investment** without consultation with **you** or **your** prior agreement:
- if, in **our** reasonable opinion, continued retention of such **investment** would be unlawful or would impose tax or other **costs** on **us** or the **trustee** or **your SIPP** or expose **us** or the **trustee** or **your SIPP** to liabilities which in each case **your SIPP** may not be able to meet;
 - if, in **our** reasonable opinion, the **investment** needs to be disposed of to return any tax or any relevant part of a pension **contribution** in accordance with paragraph 4.11, to cover the fact that a **contribution** fails to clear in accordance with paragraph 4.12, to pay **costs** or liabilities in accordance with paragraph 19, to meet any tax liability in accordance with paragraph 23 or to restore any minimum balance required to be held in the **SIPP bank account**;
 - if that **investment** is not or is no longer a type allowed by the current **schedule of allowable investments**;
 - if disposal of the **investment** is required by the terms of any applicable agreement, for example a co-ownership agreement;
 - in order to comply with the terms of a court order; or
 - following **your** death in order to secure the benefits under paragraph 14.

We will dispose of **investments** in accordance with **our order of disposal policy**. **We** will tell **you** if an **investment** is disposed of in accordance with this paragraph 7.5.

- 7.6 If **you** tell **us** that **you** wish to invest in deposits with a bank or building society, other than the **SIPP bank account** or any alternative bank account (see paragraphs 6.7 to 6.12) the account must be in accordance with the current **schedule of allowable investments**. **We** will not direct the **trustee** to enter into a term deposit of more than one year unless the bank or building society will agree that the **trustee** may withdraw the deposit during the term. Any penalty charged by the relevant bank or building society as a result of the early withdrawal of a deposit will be payable from **your SIPP**.
- 7.7 **We** will not direct the **trustee** to exercise, or ask an **investment manager** to exercise, voting rights in respect of any **investment** unless **you** ask **us** to; however **we** are not obliged to direct the **trustee** and neither the **trustee** nor any **investment manager** is under any obligation to vote in accordance with **your** wishes. **We** will not direct the **trustee** to appoint (and nor will any **investment manager** appoint) a representative to vote in respect of any **investments** in **your SIPP**.

7.8 We may receive information from **investment managers** or fund providers notifying us of any corporate actions in respect of **investments** held. Whilst we will take all reasonable endeavours to send these notices to you in a timely manner. We shall not be responsible for any loss or foregone profit resulting from you not receiving these notices in good time unless such loss or foregone profit results from fraud, wilful misconduct, negligence or breach of regulatory duty on the part of any member of the **Suffolk Life Group**, or the fraud, wilful misconduct, negligence or breach of regulatory duty of any of their employees or agents.

7.9 Neither we nor the **trustee** will be responsible for any loss (including loss of profit) in relation to, or reduction in value of any **investment**:

- a. acquired at your request unless such loss or reduction results from fraud, wilful misconduct, negligence or breach of regulatory duty on the part of any member of the **Suffolk Life Group**, or the fraud, wilful misconduct, negligence or breach of regulatory duty of any of their employees or agents;
- b. not acquired or not disposed of in accordance with our rights under these **terms**;
- c. disposed of in accordance with these **terms** unless such loss or reduction results from fraud, wilful misconduct, negligence or breach of regulatory duty on the part of any member of the **Suffolk Life Group**, or the fraud, wilful misconduct, negligence or breach of regulatory duty of any of their employees or agents; or
- d. which results from any action or omission of any nature whatsoever by any **investment manager** or by any nominee, banker, custodian or other person providing services to any **investment manager** or to any member of the **Suffolk Life Group**.

7.10 Neither we nor any member of the **Suffolk Life Group** will be under any duty to consider, or advise on, the general or specific merits, suitability or appropriateness of any actual or proposed **investment** purchase or disposal and neither we nor any member of the **Suffolk Life Group** will be responsible for advice given by an **investment manager** or any exercise of discretion by an **investment manager**.

7.11 We reserve the right to amend the types of **investments** stated in the **schedule of allowable investments** at any time should certain **investments** impose taxation or other liabilities on us or where required by law. Where an **investment** previously allowed ceases to be allowed under our **schedule of allowable investments** that your **SIPP** held before the change we will contact you to agree the action required. Unless we are required to stop allowing an **investment** by law we will meet the reasonable **costs** incurred in its disposal.

7.12 The **schedule of allowable investments** (as amended from time to time) will be made available on our website or on request and you will be responsible for ensuring that your **investment** choices fall within the **schedule of allowable investments** as amended.

7.13 Certain **investments** may also result in your **SIPP** holding **taxable property** either directly or indirectly (i.e. held within certain **investments** unless covered by specific exemptions). **Taxable property** may include residential **property** and physical assets, for example cars, art or stamps. Where **taxable property** is held as part of a pension scheme HMRC may apply tax charges on both the scheme and the scheme member personally. Should tax charges arise under these **taxable property** rules in respect of an **investment** purchased for your **SIPP**, you agree that such tax charge shall be borne by your **SIPP** or from yourself personally as the case may be.

7.14 You are responsible for notifying the appropriate parties where the holding in your **SIPP** together with those holdings held personally by you and your **connected parties** require reporting under the rules of the Takeover Panel, United Kingdom Listing Authority disclosure rules or any other similar requirements in place from time to time.

8 Investment managers

8.1 If you ask us to, we will direct the **trustee** to appoint a person (**investment manager**) chosen by you to:

- a. open an investment dealing account or platform account to enable you to give instructions to acquire and dispose of **investments** for your **SIPP** on an execution only basis;
- b. open an account with the **investment manager** who will advise you on how your **SIPP** (or any part of your **SIPP**) should be invested; or
- c. open an account with the **investment manager** who will make **investment** decisions on your behalf on a discretionary basis in relation to your **SIPP** (or any part of your **SIPP**).

You may ask us to appoint different **investment managers** for different parts of your **SIPP**. If you do not ask us to appoint any **investment manager**, you may be restricted in the types of **investment** you can instruct us to acquire. We reserve the right not to direct the **trustee** to appoint any person chosen if they do not meet our requirements. These requirements include a requirement that the **investment manager** is based in the United Kingdom, has the necessary regulatory permissions, will report transactions to us in a timely manner and in a suitable format and will act on instructions given by us. If you are unsure whether your chosen **investment manager** is acceptable to us please contact us.

- 8.2 You will be responsible for notifying us of the **investment manager** that you would like to have appointed in respect of **your SIPP**. Notification may be given verbally or in writing although where given verbally we reserve the right to request that such notification be made in writing. We will not appoint an **investment manager** in respect of **your SIPP** without your direction.
- 8.3 Any appointment of an **investment manager** for **your SIPP** (or any part of **your SIPP**) will be on such terms as we direct the **trustee** to agree with that **investment manager**. These terms will be available to you and form part of the terms of the appointment referred to in paragraph 8.5. We may require you to enter into the agreement with the **investment manager**. The **investment manager** will be responsible for:
- setting up the necessary client account arrangements for **your SIPP**;
 - the registration and safe custody of **investments** in relation to which the **investment manager** is appointed;
 - accounting regularly for all transactions and interest in relation to the relevant **investments** in a form acceptable to us; and
 - carrying out **investment** transactions for **your SIPP**.
- The client account arrangements referred to in this paragraph 8.3 may include a bank account operated by the **investment manager** to pay for **investments** purchased and expenses arising, to receive income arising on **investments** and to receive the proceeds of **investments**. Monies in this bank account and **investments** for which the **investment manager** is appointed will all be held by the **investment manager** in accordance with the terms of the **trustee's** (and, where applicable, **your**) agreement with that **investment manager**. These terms may permit the **investment manager** to pool monies and **investments** held by the **investment manager** in respect of **your SIPP** with monies and **investments** held by the **investment manager** for its other customers. We will continue to operate the **SIPP bank account** alongside any account operated by an **investment manager**.
- 8.4 In the event of any shortfall arising in any such monies and/or **investments** held by the **investment manager** on the default of the **investment manager**, **your SIPP** will be responsible for its share in the shortfall proportionately with the other customers of the **investment manager**.
- 8.5 Where you ask us to appoint an **investment manager**, you are responsible for ensuring that the terms of appointment the **trustee** enters into are acceptable to you, including the fees payable to the **investment manager**. In certain cases we will have arranged formal agreements with the **investment manager** in respect of all accounts we have with them. Details of those **investment managers** with whom we have formal agreements is available on request. Any queries in respect of these agreements should be directed in the first instance to your **investment manager**.
- 8.6 Any costs, fees or expenses incurred as a result of the appointment of an **investment manager** will be met from **your SIPP**. Where there are insufficient funds available within **your SIPP** you agree to either make a **contribution to your SIPP** to cover any shortfall or to settle such amounts personally.
- 8.7 Where an **investment manager** is appointed on a discretionary or advisory basis you will agree with the **investment manager** an appropriate **investment** strategy (after taking into account the level of risk to be assumed). Responsibility for each and every **investment** transaction and for the short and long term performance of the **investments** held by an **investment manager** are entirely matters for you and for the **investment manager**. You agree that we shall in no way be responsible for the performance of the **investment manager** or for any of the **investments** selected by them.
- 8.8 Where an **investment** is purchased by the **investment manager** that is not an allowable **investment**, we will have the right to instruct the sale of that investment as soon as reasonably practicable after we become aware. We will not be responsible for any loss to **your SIPP** which may arise as a consequence of selling the **investment**.
- 8.9 You agree that any transaction carried out between **your SIPP** and yourself, any of your **connected parties** or any pension scheme or trust of which you or any of your **connected parties** are a beneficiary must take place at **market value**.
- 8.10 You authorise us to accept telephone or written instructions from the **investment manager** to transfer funds from the **SIPP bank account** to the **investment manager** unless you tell us otherwise.
- 8.11 Where a person is appointed as an **investment manager**, we may direct the **trustee** to terminate the appointment in accordance with the terms of the relevant agreement with the **investment manager**. We will do this where we become aware that the **investment manager** ceases to be regulated by the **FSA**. If we do this, we will tell you in writing.

- 8.12 Where an **investment manager** is appointed **you** are appointed by **us** for the purposes of giving **investment** instructions to the **investment manager** on **our** behalf. **We** may at **our** discretion at anytime remove this authorisation if **you** persistently breach paragraphs 7 to 9 of these **terms**.
- 8.13 **You** agree that unless **we** explicitly authorise it, money and **investments** held with the **investment manager** may only, except in the course of usual trading, be transferred to **us**. **You** are not authorised to transfer cash or assets away from the **investment manager**.
- 8.14 Neither **we** nor the **trustee** are responsible for **your** choice of any **investment manager** and are not responsible for any loss caused by any **investment manager**, or by any nominee, banker, custodian or by any other person providing services to an **investment manager** unless such loss is attributable, directly or indirectly, to any fraud, negligence, wilful default or breach of regulatory duty on the part of any member of the **Suffolk Life Group** or their employees or agents.
- 8.15 **We**, the **trustee** or **Suffolk Life Annuities** will not act as **investment manager** for **your SIPP**.

9 Investment instructions

- 9.1 Where, in accordance with paragraph 8, an **investment manager** has been appointed for **your SIPP** (or any part of **your SIPP**) **you** are required to give all **investment** instructions direct to the **investment manager** for that part of **your SIPP**.
- 9.2 **You** may give instructions to **us** (or any relevant **investment manager** appointed in accordance with these **terms**) to acquire or sell an **investment** for **your SIPP**. Where **we** are instructed, **we** in turn will direct the **trustee** to acquire or sell that **investment**.
- 9.3 Instructions to acquire or sell an **investment** may be given in writing, by fax or by telephone. **We** do not currently accept instructions to acquire or sell **investments** by email.
- 9.4 An instruction given either to **us** or to an **investment manager** to acquire an **investment** will be subject to:
- the limitations set out in the **schedule of allowable investments** on the types of **investment** that may be acquired;
 - the minimum **investment** size, if any, for that type of **investment**;
 - the retention on the **SIPP bank account** of any minimum balance as may be specified by **us** in accordance with paragraph 6.5;
 - the appointment of an **investment manager** where **we** so require;
 - the completion by **you** of additional documentation if requested by **us**, for example, if **you** wish to purchase a **property**;
- payment of fees to **us** in accordance with the **schedule of fees**;
 - the legislation applicable to registered pension schemes and to personal pension schemes holding an appropriate scheme certificate;
 - all other relevant statutory provisions; and
 - any other provisions of these **terms**.
- 9.5 **We** will be entitled not to direct the **trustee** to acquire an **investment** in accordance with **your** instructions if:
- your** instructions are not given or, if **we** request it, confirmed to **us** in writing;
 - insufficient cleared funds are available in relation to **your SIPP**;
 - you** cancel a transfer into **your SIPP** to which the **investment** instructions relate;
 - in **our** reasonable opinion, the carrying out of the instruction is impossible, unlawful or contrary to any agreement by which **we** or the **trustee** are bound, or to any applicable court order;
 - we** have given **you** notice to transfer **your SIPP** to another pension scheme in accordance with these **terms** and in **our** reasonable opinion the **investment** is illiquid (i.e. there is not an active market for the **investment** and it may therefore be difficult to sell) or it is not possible to complete the purchase of the **investment** before the date on which **your SIPP** must be transferred;
 - in **our** reasonable opinion, the purchase of such an **investment** may impose tax or other **costs** on any member of the **Suffolk Life Group** or **your SIPP** or expose any member of the **Suffolk Life Group** or **your SIPP** to liabilities which in each case **your SIPP** may not be able to meet;
 - in **our** reasonable opinion, acquiring any **investments** may require an offer to be made to purchase further shares in accordance with the City Code on Takeovers and Mergers or any other code or legislation in force from time to time, or any further assets;
 - in **our** reasonable opinion, making or holding the **investment** may give rise to an unauthorised payments charge, unauthorised payments surcharge or a scheme sanction charge, each in accordance with the Finance Act 2004; or
 - in **our** reasonable opinion, making or holding the **investment** may expose any member of the **Suffolk Life Group** or their directors or employees or members of their families to threats of or actual violence.
- We** will tell **you** if **we** direct the **trustee** not to acquire an **investment** in accordance with this paragraph 9.5.

- 9.6 If **you** instruct **us** to, **we** will instruct the sale or encashment of some or all of the **investments** within **your SIPP** as selected by **you** and apply the proceeds of sale or encashment, less any appropriate charge (and the expenses of sale), in the purchase of further **investments** in accordance with **your** instructions. The proceeds of any sale or encashment will not be reinvested until such time as cleared funds have been credited to the **SIPP bank account**. Any reinvestment will be subject to these **terms**. Pending reinvestment, any cash proceeds received will be credited to the **SIPP bank account**.
- 9.7 **We** will be entitled not to direct the **trustee** to dispose of an **investment** in accordance with **your** instructions if:
- your** instructions are not given or, if **we** request it, confirmed to **us** in writing; or
 - in **our** reasonable opinion, the disposal of the **investment** is impossible, unlawful or contrary to the **terms** of any agreement by which **we** or the **trustee** are bound, or to any applicable court order.
- We** will tell **you** if **we** do not dispose of an **investment** in accordance with this paragraph 9.7.
- 9.8 **We** (or any relevant **investment manager**) will use all reasonable endeavours to transmit for dealing, any instructions **we** receive in accordance with these **terms** from **you** promptly. This is not always possible, so provided neither **we** nor the **investment manager** acts unreasonably, then neither **we** nor the **investment manager** will be responsible for any loss between the time an **investment** instruction was received and when it was completed. **We** will not be responsible for any non-performance on behalf of any third party fund manager or provider.
- 9.9 All instructions, unless it is for an **investment** that **we** do not already hold for the **scheme** when **we** will need to check the **investment** meets the **schedule of allowable investments**, will be transmitted for dealing in the order they are received by **us**.
- 9.10 Where **we** are instructed to arrange for the purchase or sale of an **investment** for **your SIPP** **we** shall request details from **you** of where **you** wish for the deal to be transmitted for dealing. Where such information is not received within the timescale set out in **our** correspondence **we** will transmit the order in accordance with **our** order transmission policy. A copy of this is available on request.

- 9.11 If:
- you** have not asked **us** to appoint an **investment manager** under paragraph 8 and have given **us** no instructions as to the **investment** or application of the whole or any part of any monies paid to **us** by way of **contribution** to, or transfer into, **your SIPP**;
 - any instructions that **we** receive from **you** or any **investment manager** cannot be implemented; or
 - pending implementation of any instructions, the relevant monies will, subject to paragraph 6.6, be held in the **SIPP bank account**.
- 9.12 Subject to paragraphs 16.2, 16.4 and, where applicable, paragraph B2.11, if any **investment** or **property** transaction is to be carried out between **your SIPP** and **you** or any of **your connected parties** then the transaction must take place at **market value**.
- 9.13 Where an **investment manager** is appointed, **we** are entitled to direct that **investment manager** not to acquire an **investment** in the circumstances referred to in paragraph 9.5 and **we** may direct that **investment manager** not to dispose of an **investment** in the circumstances referred to in paragraph 9.7. **We** will tell **you** if **we** direct the **investment manager** in accordance with this paragraph 9.13.

10 Investments in property

- 10.1 If **you** wish to purchase **property** for **your SIPP** or to transfer **property** into **your SIPP** in accordance with paragraphs 5.3, or otherwise to hold **property** as an asset of **your SIPP**, the provisions of Appendices B and C will apply.

11 Borrowing

- 11.1 In addition to using monies held in the **SIPP bank account** to purchase an **investment**, **you** may ask **us** to agree to borrowing. All borrowing must comply with Section 182 of the Finance Act 2004 and any other legal or regulatory requirements. The borrowing, unless taken out to assist with the purchase of **property** under paragraph 10, must be arranged in the **trustee's** name as **trustee** of the **scheme** and on **terms** satisfactory to **us** but **we** will not take responsibility for arranging a lender. As for **property**, please refer to Appendix C, paragraph C3.*

* 11.1 Your SIPP can usually borrow up to 50% of its net value to fund a property purchase or other investments.

- 11.2 Any lender must be a bank, building society or similar organisation. In no case may the lender be **you** or any of **your connected parties**.

12 Pension benefits

12.1 You may normally choose to **crystallise** some or all of the separate units of **your SIPP** at any time on or after **your 55th birthday**.

- 12.2 You may be able to **crystallise** units before age 55 if:
- we are satisfied that **you** are, and will continue to be, incapable of carrying on **your** current occupation due to physical or mental impairment. **You** will have to provide any medical evidence that **we** require;
 - you** had transitional rights at 6 April 2006 to a protected pension age under Schedule 36 of the Finance Act 2004 and **you** satisfy the conditions; or *
 - you** satisfy the conditions in paragraph 13.1 for a serious ill health lump sum.

*** 12.2 This protects pension rights built up under the pensions tax regime in force before 6 April 2006. Please contact your adviser for further details.**

12.3 When **you** **crystallise** part or all of **your SIPP** to draw benefits, **you** can normally choose to take up to 25% of the amount **crystallised** (subject to the lifetime allowance) as a pension commencement lump sum without incurring a tax charge. A higher or lower amount may be available if **you** had transitional rights at 6 April 2006 under Schedule 36 of the Finance Act 2004 and **you** satisfy the conditions.*

12.4 If the value of the benefits **crystallised** exceeds **your personal lifetime allowance**, there will be a lifetime allowance charge of 55% on the excess if it is paid as a lump sum ("lifetime allowance excess lump sum") or 25% if **you** take it as pension income.

12.5 The remainder of the amount **crystallised** after the payment of any pension commencement lump sum, any lifetime allowance excess lump sum and any lifetime allowance charge will be allocated to provide a pension income for **you** in the form of:

- capped drawdown** taken from **your drawdown pension fund**;
- if **you** meet the conditions, **flexible drawdown** in respect of the portion of **your drawdown pension fund** for **non-protected rights** benefits*;

*** 12.5 Legislation does not allow flexible drawdown from protected rights funds.**

- a **lifetime annuity** bought from an **insurance company** **you** choose; or
- a combination of these.

You do not have to start taking a pension income until **you** choose to.

12.6 If **you** **crystallise** part of **your SIPP** and hold both **non-protected rights** and **protected rights** benefits in an **arrangement** then (except where paragraph 12.9 applies), **we** will **crystallise** them proportionately unless **you** instruct **us** otherwise in writing or as required by law.

12.7 If **you** choose to take **capped drawdown** from **your drawdown pension fund**, then:

- the amount of **capped drawdown** **you** take each year must not exceed the maximum amount allowed under Schedule 28 of the Finance Act 2004;
- we** will recalculate the maximum amount every 3 years (called a reference period) and each year after **you** have reached age 75. If benefits were **crystallised** before 6 April 2011, there are transitional rules for when the maximum amount will first be calculated after that date.
- We** will also recalculate the maximum amount:
 - each time **you** **crystallise** a further portion of an **arrangement**;
 - if **you** choose to buy a **lifetime annuity** with part of **your drawdown pension fund**;
 - because of the application of a pension sharing order; or
 - if **we** agree to **your** request, received by **us** before the end of the current reference period, to end the current reference period and start a new reference period.

12.8 If **you** meet the conditions for **flexible drawdown**, **you** can choose **flexible drawdown** instead of **capped drawdown** in respect of **your non-protected rights** benefits. Under **flexible drawdown** there is no limit to the amount that can be withdrawn each year from the **non-protected rights** portion of **your drawdown pension fund**.

12.9 If both **non-protected rights** benefits and **protected rights** benefits are held in an **arrangement**, **you** cannot choose **flexible drawdown** for the **non-protected rights** benefits and **capped drawdown** for the **protected rights** benefits.

12.10 The following apply to **capped drawdown** and **flexible drawdown**:

- we** will pay **your** pension income monthly unless **you** ask **us** to pay it quarterly, half-yearly or yearly. **We** will make the payments on the last **business day** of the month by direct credit to **your** personal bank account. **We** will stop payments when **you** die;
- you** can ask **us** to increase, reduce, stop or restart payments or make one-off payments from time to time. If **you** wish to change the level of **your** payment **you** must ask **us** at least 10 **business days** before the payment date;

- c. **you** must ensure that sufficient cleared funds are held in **your SIPP bank account** 10 business days before the payment date or **we** may not make the payment; and
 - d. **you** can choose to buy a **lifetime annuity** at any time with part or all of the **drawdown pension fund** as set out in paragraph 12.11 below. **You** cannot buy a **lifetime annuity** from part of the **protected rights** benefits in an **arrangement**.
- 12.11 If **you** choose to buy a **lifetime annuity**, **you** must select the features the **insurance company*** allows that **you** require on the contract; for example:
- a. how often **your** pension will be paid, e.g. monthly;
 - b. whether a pension will be payable for the rest of **your** life only or will continue to a **dependant** after **your** death. For **protected rights** benefits, if **you** are married or in a registered civil partnership when the **lifetime annuity** is bought, it must provide a pension payable to **your** surviving spouse or registered civil partner of 50% of **your protected rights** pension when **you** die;
 - c. whether the pension payable during **your** lifetime will continue in any event for a guaranteed period of up to 10 years (5 years for **protected rights** benefits); or
 - d. whether the amount of **your** pension will be the same each year or will increase each year by a fixed percentage or in line with the cost of living.

*** 12.11 A lifetime annuity must be purchased from an insurance company: we do not offer this.**

- 12.12 A tax charge may arise as a result of taking a **pension commencement lump sum** under paragraph 12.3 if **you** have recycled the lump sum in whole or part. Recycling will arise if:
- a. the amount of **contributions** from all sources paid to all registered pension schemes in respect of **you** is greater than 30% more than might have been expected based on previous **contributions**; and
 - b. the pension commencement lump sum plus any similar lump sums from any registered pension **scheme** taken in the previous 12 months exceeds 1% of the **lifetime allowance**; and
 - c. the cumulative amount of the additional contributions exceeds 30% of the pension commencement lump sum under paragraph 12.3; and
 - d. the recycling was pre-planned.
- This is not a full definition. Full details are in Schedule 29 of the Finance Act 2004. Please consult **your adviser** for more details.
- 12.13 Should a tax charge arise under paragraph 12.12, **you** agree that such tax charge shall either be paid from by **your SIPP** or paid by **you** personally as the case may be.

13 Serious ill health lump sum

- 13.1 If all the following conditions apply **you** can take the benefits from an **arrangement** as a lump sum:
- a. **you** have provided evidence from a registered medical practitioner that **you** are expected to live for less than one year; and
 - b. no benefits in the **arrangement** have been **crystallised**; and
 - c. **you** have not used up all of **your lifetime allowance**; and
 - d. if **you** are married or in a registered civil partnership, 50% of the **protected rights** benefits under the **arrangement** have been transferred to a separate **arrangement** to provide a pension income to **your** spouse or registered civil partner following **your** death.
- 13.2 If **you** are aged 75 or older at the date of payment, **we** will deduct tax at 55% from the lump sum.

14 Death

- 14.1 If **you** die, the nature of the death benefits will depend on:
- a. whether the benefits are **uncrystallised** or **crystallised**;
 - b. whether the benefits are **non-protected rights** or **protected rights**;
 - c. **your** age at death; and
 - d. the beneficiaries to whom benefits will be paid.
- This paragraph sets out the benefits payable.
- 14.2 **We** will decide who should receive death benefits, and how much, from the list of beneficiaries described in the **trust deed and rules**. **You** can however notify **us** of **your** wishes by completing a *nomination of beneficiaries form* (available as part of the application form or on request) which **we** will consider prior to paying any death benefits.
- 14.3 **You** may wish for any lump sum death benefits payable on **your** death to be paid to a trust, in which case **you** will need to provide **us** with a copy of the trust documentation in advance. Please be aware that **we** are unable to provide any advice as to the validity of any trust and **you** should take **your** own professional advice on this.
- 14.4 Death benefits comprising **non-protected rights**:
- a. if **you** die, **we** will pay a lump sum to **your** beneficiary(ies):
 - i. in respect of **crystallised** funds, **we** will deduct tax at 55% from the lump sum, unless **you** do not have any **dependants** and **you** have nominated that the lump sum is to be paid to a charity or charities of **your** choice;

- ii. if **you** are aged 75 or older at **your** death, **we** will deduct tax at 55% from the lump sum.
- b. Instead of paying a lump sum, the whole or the appropriate part of **your SIPP** can be used to provide an income for one or more **dependants** in the form of
 - i. **capped drawdown**;
 - ii. if the **dependant** meets the conditions, **flexible drawdown**; or
 - iii. a **lifetime annuity** bought from an **insurance company** chosen by the **dependant**.
- c. If a **dependant** chooses to take **capped drawdown** then the amount of **capped drawdown** taken each year must not exceed the maximum amount allowed by relevant legislation and **HMRC** rules. **We** will recalculate the maximum amount every 3 years and each year after reaching age 75.
- d. If a **dependant** meets the conditions in the relevant legislation and **HMRC** rules, the **dependant** can ask **us** to provide **flexible drawdown** instead of **capped drawdown**. Under **flexible drawdown** there is no limit to the amount that can be withdrawn.
- e. The following apply to **capped drawdown** and **flexible drawdown**:
 - i. the **dependant** must agree to be bound by these **terms**;
 - ii. **we** will pay the pension monthly unless the **dependant** asks **us** to pay it quarterly, half-yearly or yearly. **We** will make the payments on the last **business day** of the month by direct credit to the **dependant's** personal bank account. **We** will stop payments when the **dependant** dies;
 - iii. the **dependant** can ask **us** to increase, reduce, stop or restart payments or make one-off payments from time to time. If the **dependant** wishes to change the level of their payment they must ask **us** at least 10 **business days** before the payment date;
 - iv. the **dependant** must ensure that sufficient cleared funds are held in the **SIPP bank account** 10 **business days** before the payment date or **we** may not make the payment;
 - v. if the **dependant** is a child, payments will usually stop on reaching age 23; and
 - vi. the **dependant** can choose to buy a **lifetime annuity** at any time with part or all of their portion of the fund.

- 14.5 Death benefits comprising **protected rights**:
- a. If **you** are survived by **your** spouse or registered civil partner, the **protected rights** benefits must be used to provide an income for **your** spouse or registered civil partner in the form of:
 - i. **capped drawdown**; or
 - ii. a **lifetime annuity** bought from an **insurance company** chosen by **your** spouse or registered civil partner.
 - b. If **you** are not married or in a registered civil partnership when **you** die, the options described in paragraph 14.4 will also apply to **protected rights** benefits.

15 Transfers out

- 15.1 **You** can require **us** by written notice to transfer the value of **your SIPP** to another pension scheme at any time, subject to applicable legislation and **HMRC** rules. This will be done as soon as is reasonable following **your** instruction.
- 15.2 A transfer out may be made in cash or **in specie**. **You** will be required to notify **us** in writing how **you** wish for the transfer out to be completed. It may not always be possible to comply with **your** request, i.e. **we** may not be able to sell certain **investments** in order to carry out a transfer in cash or transfer **investments in specie** to **your** new pension provider. Where this is the case **we** will notify **you** and make **you** aware of **your** options.
- 15.3 **We** will only complete a transfer out once payment of all fees and **costs** have been paid. If **you** instruct **us** to transfer out **in specie** and there is inadequate cash within **your SIPP** to settle any outstanding fees or **costs**, **we** reserve the right to sell **investments** in accordance with **our order of disposal policy**, a copy of which is available on request, in order to cover the payment of those fees or **costs** prior to completing the transfer out.
- 15.4 Any annual fee already paid to **us** prior to a transfer out being requested will not be rebated either in full or in part.

16 General provisions on the payment of benefits and transfers out

- 16.1 We are required to obtain a true market value for your SIPP in the following circumstances:
- you commence capped drawdown or flexible drawdown;
 - a lifetime annuity is purchased;
 - you die before age 75;
 - you reach age 75;
 - you request us to make a transfer to an overseas pension scheme that is a Qualifying Recognised Overseas Pension Scheme; or
 - we need to, or you request us to, carry out an income limit review under capped drawdown.
- This means that we will need to fully reconcile your SIPP and obtain current values for the investments, including property, held. For property and certain unquoted investments this means that a suitably qualified valuer will need to be appointed to provide a current valuation.
- 16.2 If we agree, we may direct the trustee to transfer assets out of your SIPP:
- to you in satisfaction of benefits payable under your SIPP;
 - to another pension scheme that is a registered scheme within the meaning of section 153 of the Finance Act 2004 or which under that section is treated as a registered scheme;
 - to the person entitled after your death; or in accordance with any court order.
- 16.3 We will not pay benefits, purchase a lifetime annuity or make a transfer in accordance with these terms and the trust deed and rules unless:
- we have received a signed instruction from you or the appropriate person to make the relevant payment or transfer;
 - we have received all required documentation and information from you or the appropriate person that we in our reasonable opinion believe is necessary;
 - we have received all charges due to us; and
 - all costs chargeable to your SIPP and all liabilities of your SIPP (including all costs arising in relation to any benefit payment, lifetime annuity purchase or transfer) have been satisfied.

- 16.4 Where the trustee is unable to realise or transfer all or any of the investments of your SIPP, or is unable to do so on what we consider to be reasonable terms, we may in our absolute discretion defer the payment of benefits, the purchase of a lifetime annuity or a transfer payment out requested under these terms until the trustee is able to realise the relevant investments (or able to do so on what we consider to be reasonable terms) and has received the cleared funds. We may also defer the transfer of all or any of the investments of your SIPP where it is impracticable or impossible to give effect to the transfer, until it becomes practicable or possible (as appropriate) to do so. We will inform you of any deferral under this paragraph 16.4.*

* 16.4 If you wish to draw benefits or transfer out in cash, or to purchase a lifetime annuity, there must be sufficient cash in your SIPP. If investments have to be sold to raise the required cash, this may take time.

Most quoted equities, gilts and unit trusts can be sold for cash very quickly. Property and some investment funds are illiquid and may take some considerable time to realise. Please think about this when making investment decisions and plan ahead so that cash is available when you require it. In particular, if you are drawing a regular income from your SIPP, it is your responsibility, with your adviser, to ensure that there is sufficient cash available to meet each income payment (including the associated PAYE) as it falls due.

- 16.5 Where the trustee has been unable to realise an investment, or has been unable to realise it on reasonable terms, we may, if we so choose:
- direct the trustee to transfer that investment to you in part or full satisfaction of any payment of benefits under your SIPP; or
 - require you to buy the investment from the trustee at fair market value or £1, whichever is the greater.
- You must do all things and execute all documents that we may reasonably require to give effect to our rights under this paragraph 16.5.
- 16.6 After satisfaction of all liabilities of your SIPP and transfer of all assets out of your SIPP or payment of all benefits under your SIPP, we will close your SIPP and you will cease to be a member of the scheme.

17 Valuation and reporting

- 17.1 Your SIPP is operated primarily in sterling. If we acquire an investment or open a bank account for your SIPP which is denominated in another currency, we will maintain separate records in the other currency. If an investment is acquired (or a bank account is opened) by an investment manager which is denominated in another currency, we will hold records in the currency reported to us by the investment manager. We will produce a report for each currency and a valuation summary showing all currencies converted to sterling will be sent to you at the appropriate reporting date set out in paragraph 17.3 below.
- 17.2 Your SIPP will be valued each business day using the latest available valuation information and this value will be used in most day-to-day administration activities, including values shown on our secure internet portal. This daily valuation is no guarantee of the true value of your SIPP and is solely provided as an indicative value. The Important Notes page on our secure internet portal gives more detail about the basis on which the daily valuation is calculated. Please ask if you would like a copy. Additionally, each year a formal valuation will be carried out, as described in paragraph 17.3.*
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- * 17.2 If you or your adviser sign up to use our secure internet portal, you or your adviser can check the value of your SIPP online at any time. This will show you the latest value according to our records. Additionally, each year we will carry out a formal valuation, ensuring that our investment and cash records are fully reconciled.
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- 17.3 At least once each year, we will provide you, without additional charge, with a fully reconciled report which will include a formal valuation of your SIPP calculated as at the reporting date. The reporting date will usually be the first day of the calendar month in which the anniversary of the establishment of your SIPP falls, but we reserve the right to amend the reporting date by written notice to you. You may request us to provide such statements more frequently or on a different date, but we reserve the right to make an additional charge for providing statements in those circumstances.
- 17.4 The formal valuation of your SIPP is based on totalling the value of the assets of your SIPP at the reporting date less the value of its liabilities at that date. For these purposes, the investments of your SIPP will be valued at the close of business on the last business day before the relevant reporting date. Where there are no published prices for an investment (for example, property or an unquoted investment) it will usually be valued at its original cost price or last valuation where available. Subject to HMRC and other regulatory rules, we may, from time to time, adopt such valuation rules as we in our opinion consider appropriate.

- 17.5 You should review the formal valuation issued under paragraph 17.3 within three months of receipt by you or your adviser and tell us of any discrepancies so that these can be promptly corrected.
- 17.6 Where we are required by legislation or other regulations to value your SIPP at market value, we will arrange for your SIPP's investments to be so valued. This will include, but is not limited to, the appointment of an appropriately qualified valuer in respect of unquoted investments and interests in property. Where we need to appoint such a valuer we will notify you in advance for confirmation of the valuer you wish us to use and agreement to the valuer's fees. If you do not reply within 30 days we reserve the right to appoint a valuer of our choice to carry out the valuation. The valuer's fees and any other costs associated with the valuation will be payable from your SIPP.

18 Agents

- 18.1 You may authorise one or more persons (each an agent) to act on your behalf in relation to your SIPP, including:
- to give instructions for the purposes of paragraph 9.1;
 - to request the appointment of an investment manager; and/or
 - to receive communications in relation to your SIPP.

For example, you may wish to appoint an investment professional and/or a financial adviser or a member of your family to do all or any of these things for the purposes of these terms on your behalf. Any such authority must be given in the application form for your SIPP or in such other form as we may require.*

* 18.1 You might want to appoint a financial adviser, investment professional or a member of your family to act on your behalf in relation to your SIPP. For example, an agent can give investment instructions on your behalf or can ask us to arrange for an investment manager to be appointed.

This role as agent is not the same as that of an investment manager (see paragraph 8). An investment manager will usually hold some of the assets of your SIPP and will carry out investment transactions. An agent will never hold any assets or undertake transactions, but may instruct us (or an investment manager) to undertake transactions. More information is available on our website.

- 18.2 If you appoint an agent in accordance with paragraph 18.1 above, references in these terms to "you" will include your agent.
- 18.3 We are entitled to assume that any agent remains authorised to act on your behalf until such time as we receive written notice of the withdrawal of that person's authority. You agree that you will confirm all actions which your agent takes on your behalf under these terms if we ask you to.

19 Fees, charges and expenses of your SIPP

19.1 The fees and charges payable to us in respect of your SIPP and the circumstances in which they may be increased are set out in the **schedule of fees** as amended from time to time.*

* 19.1 Please read the schedule of fees and ask us if you have any questions about it.

19.2 We reserve the right to amend the level of fees charged on an annual basis. Such increase shall be calculated in line with the increase to the Average Weekly Earnings (AWE) rounded to the nearest £5. We will only need to increase your fees in excess of AWE to make reasonable changes for fair and valid reasons, as follows:

- a. in order to comply with applicable law, regulation, the judgement of any court regulator or ombudsman or any industry guidance or code likely to affect the operation of your SIPP;
- b. in the case of genuine increases in the cost of administering your SIPP including any changes to relevant staff, operating costs, systems and related technology; or
- c. where the profitability of the product falls so that it no longer becomes feasible to provide services to you at the current rate.

Where increases are made in accordance with paragraph 19.2a, you will be notified in writing giving you 30 days' notice. In the event that any increase is made in accordance with paragraphs 19.2b or 19.2c you will be notified in writing giving you 90 days' notice and should you find the increase unacceptable you will be able to transfer your SIPP to another pension scheme in accordance with the terms under paragraph 26.3 as if the increase were a change to these terms.

19.3 We will also be entitled to charge the following costs to your SIPP:

- a. all expenses incurred by us or the trustee (including claims, losses and liabilities) in acquiring, holding, disposing of, transferring or valuing any investment or other asset of your SIPP;
- b. any administration costs incurred by us or the trustee in the purchase of a lifetime annuity in relation to you;
- c. any administration costs incurred by us or the trustee and which we are entitled in law to recover in complying with any court order or provision made in relation to benefits under your SIPP in consequence of a divorce or dissolution of a registered civil partnership;

- d. all fees, commissions, charges, disbursements and other costs charged by any investment manager, nominee, banker, custodian, solicitor, surveyor, mortgagee or anyone else providing related services or any agent (including any financial adviser) appointed in relation to your SIPP or any part of your SIPP;
- e. all taxes, duties, levies or other liabilities to which we or the trustee become responsible for as a result of purchasing, holding, disposing of or transferring any investment or other asset allocated to your SIPP;
- f. any other liabilities or scheme sanction charges payable or tax refunds due;
- g. any amounts returned to you or to HMRC in accordance with paragraph 4.11;
- h. any taxes, duties or levies (including VAT) in respect of fees, charges or costs or amounts to which we or the trustee become responsible for as described in paragraph 19; and
- i. any administrative costs incurred by us or the trustee (including legal expenses, disbursements or other costs) in complying with any court orders served on us and/or the trustee relating to you, your SIPP or investments relating to your SIPP.

Provided that this paragraph 19.3 will not apply to the extent to which such costs are attributable, directly or indirectly, to any fraud, negligence, wilful default or breach of regulatory duty on the part of any member of the Suffolk Life Group or any of their employees or agents.

19.4 Subject to paragraph 19.5, if we or the trustee are required to:

- a. pay any tax or levies imposed on your SIPP or on any contribution paid or monies allocated in respect of it; or
- b. make any other payment to the UK Government, any governmental agency or regulator or self regulatory organisation of which we are or become a member, to the extent directly attributable to your SIPP.

We may reimburse ourselves in respect of the levy, tax, liability, charges or other payment by way of making a charge to your SIPP as we may reasonably determine. This will be on a basis similar to how the levy, tax, liability, charge or other payment has been calculated.

19.5 Paragraph 19.4 will not apply to the extent that the relevant event is attributable, directly or indirectly, to any fraud, negligence, wilful default or breach of regulatory duty on the part of any member of the Suffolk Life Group or any of their employees or agents.

- 19.6 All **costs** and liabilities which **we** are entitled to charge to **your SIPP** will be deducted from the **SIPP bank account**. If at any time the credit balance on the **SIPP bank account** is not enough to cover all such **costs** and liabilities in full, **we** may require **you** to dispose of **investments** and/or ask **you** to make an additional **contribution**, if allowed and having taken suitable advice, to **your SIPP** so that all amounts due can be paid. **We** will give **you** 30 days' written notice to do this. If **you** do not comply with these requirements, **we** may:
- a. direct the **trustee** to dispose of **investments** in accordance with **our order of disposal policy** in order to pay the amounts due; or
 - b. require **you** to pay **us** the amounts due.
- 19.7 If for any reason the value of the **investments** held in respect of **your SIPP** is insufficient to meet any such **costs** or liabilities or scheme sanction charges payable or tax refunds due, **you** agree to pay to **us** on demand the amount of any such shortfall.
- 19.8 **We** will continue to be entitled to **our** charges and to recover all **costs** and liabilities as referred to in paragraphs 19.1 to 19.7 above (including any such charges falling due and any such **costs** and liabilities incurred after **your** death) until all the assets of **your SIPP**, including the balance on the **SIPP bank account**, have been transferred out of **your SIPP** in accordance with these **terms**.
- ## 20 Information and communications
- 20.1 **We** may request, and **you** must provide, such information as **we** may reasonably require to give effect to these **terms**.
- 20.2 Unless otherwise specified in these **terms**, communications (including instructions) for the purpose of these **terms** may be given orally, in writing or via **our** secure internet portal. Communications in writing may be delivered personally, posted or sent by fax or by email. As a result of the risks **we** do not accept **investment** instructions by email. All communications, whether from **you** or **us**, must be in English.
- 20.3 Communications to **us** from **you** must be made to **us** at the address set out in the application form (or any other address which **we** may specify by giving **you** notice in writing). Any communication in writing from **us** to **you** or **your agent** will be sent to the relevant address provided in **your** application form until **we** are told by **you** that **you** or **your agent** would like communications sent to a different address.
- 20.4 Use of email is not a secure means of communication and in particular third parties may be able to view or alter information sent by email without either the sender or recipient knowing. **We** cannot guarantee that the content of any email **we** receive from **you** or send to **you** will remain private during transmission over the internet. By sending information to **us** by email **you** are accepting this risk.
- 20.5 **We** may:
- a. telephone **you** at any time to discuss **your SIPP** without having been expressly invited by **you** to do so;
 - b. in good faith rely on any communication which **we** reasonably believe to have been issued by **you** or **your agent**;
 - c. rely upon any information provided by **you** in accordance with these **terms**;
 - d. require **you** to make an instruction to **us** in writing before acting upon it;
 - e. decline to accept or act upon any communication which **we** reasonably believe not to have been issued in accordance with the provisions of these **terms**, or if **we** reasonably consider that compliance with such communication would be impossible or would give rise to a breach of any applicable law or regulation. In such circumstances **we** will use **our** reasonable endeavours to tell **you** promptly; and
 - f. deem any communication received after 5.00 pm on a **business day**, or on a day other than a **business day**, to have been received on the following **business day**.
- 20.6 Where, in these **terms**, a period of notice is to be given to **you**, that period of notice will be calculated from the date on which the notice was sent to **you**.

21 Data protection and confidentiality

- 21.1 We may record all telephone conversations relating to **your SIPP** including, but not limited to, recordings of **investment** instructions for training, monitoring and fact verification purposes.
- 21.2 We will take all reasonable technical and organisational security measures to prevent the unauthorised or unlawful processing of **your** personal data and accidental loss or destruction of, or damage to, such data.
- 21.3 We will comply with the Data Protection Act 1998. Please ask us if **you** would like details.
- 21.4 For the purposes of the Data Protection Act 1998 we will be the data controller in relation to personal data provided by **you**. We may in exceptional circumstances in connection with **your SIPP** process sensitive data as defined under the Data Protection Act 1998. This could include information relating to **your** physical or mental health or condition and/or sexual life. The collection and processing of sensitive information would be on a strictly need-to-know basis.
- 21.5 We may disclose information orally, in writing (including by email) or via **our** secure internet portal concerning **you** and **your SIPP**:
- subject to law, to any person anywhere in the world in the proper performance of **our** obligations under these **terms**, including to any other companies within the **Suffolk Life Group** and any of **our** agents, delegates and advisers; or
 - as required by law or any competent authority; or
 - to any person we reasonably believe to have been appointed by **you** as **your agent** or as an **investment manager**; or
 - with **your** prior written consent.
- 21.6 **You** agree that we may use any sources that we consider appropriate, including electronic data sources, for the purposes of verifying **your** identity or any other information that **you** provide to us. Where we carry out an electronic identity check this will be with a reputable referencing agency. A record of this check will be maintained by the referencing agency.
- 21.7 We may be required to pass **your** personal details to the **bank**, any other bank, any **investment manager** appointed or provider of an underlying **investment** to enable that party to carry out an electronic identity check on **you**. The **bank**, **investment manager** or **investment** provider and the referencing agency used will maintain a record of the check.
- 21.8 Alternatively we may be required to forward copies of any verification of identity and address documents that we have obtained from **you** or **your adviser**.

22 Force majeure

- 22.1 As a result of **force majeure**, we may be unable, wholly or in part, to carry out some or all of **our** obligations in relation to **your SIPP**. In this event, unless **you** might reasonably be expected to be aware of the circumstances, we will to the extent possible give **you** prompt notice of that **force majeure** with reasonable particulars of it and, insofar as known, the probable extent to which we will be unable to perform or be delayed in performing the relevant obligation(s). Following this notice, and for as long as the **force majeure** continues, the obligations which cannot be performed because of the **force majeure** will be suspended.*

* 22.1 We expect to be able to look after your SIPP and respond to you efficiently in most circumstances. We've also prepared and rehearsed a business continuity plan, to help us continue to run our business in the event of an unusual interruption. This included activating our alternative premises here in Ipswich. However, some incidents outside our control may mean that we are unable to carry out instructions or administer your SIPP for a period and this paragraph sets out details.

- 22.2 For the purposes of these **terms**, **force majeure** includes:
- nationalisation, expropriation, prohibition, intervention, direction or embargo;
 - imposition by any Governmental or quasi governmental authority of currency restrictions, exchange controls or other charges or restraints affecting **your SIPP** or the assets allocated to it;
 - inability or delay in obtaining governmental or quasi-governmental approvals, consents, permits, licences, authorities or allocations;
 - acts of war (declared or undeclared), terrorism, insurrection, revolution, civil disturbance, riot, blockade or other disturbance;
 - strikes, lockouts, other industrial action or other interferences with work;
 - failure or disruption of any relevant stock exchange, including depositories, settlement systems or markets;
 - widespread failure or disruption of computer systems, including electronic mail systems; or
 - earthquake, storms, floods, lightning, fire, explosions or similar natural events.
- This is in each case where the **force majeure** is beyond **our** reasonable control or the reasonable control of **our** agents.

23 Tax provisions

23.1 The total pension benefits available under **your SIPP** and other pension arrangements combined are subject to the **lifetime allowance**, a figure set by the Government. Any amount above this figure that has been accumulated within a registered pension scheme will, subject to any protection **you** have, be charged with a lifetime allowance charge. Any lifetime allowance charge will be deducted from **your SIPP** by **us** as soon as **you** commence taking benefits where **your** accumulated **crystallised** pension funds exceed **your personal lifetime allowance**. **You** agree to **us** making such deductions as necessary after consultation with **you** or **your agent**. **You** also agree to provide **us** with such information necessary to calculate any lifetime allowance charge payable and agree to be responsible for any further tax charges that may arise as a result of that information being incorrect or failing to be provided.*

* **23.1 Protection is a mechanism designed to shelter, in part or in full, the pension funds from the effects of the lifetime allowance charges. There are three main sorts of protection:**

- **Primary protection: this was only available to individuals with benefits in excess of £1.5m on 6 April 2006;**
- **Enhanced protection: this offered complete protection from the lifetime allowance charge at 6 April 2006; and**
- **Fixed protection: enables protection of the pension fund (including future growth) built up before 6 April 2012 against the lifetime allowance.**

It is possible to have primary or enhanced protection, or both. HMRC will have provided you with a certificate detailing what protection you have, if any, once you made the claim. The claim needed to have been made by 5 April 2009.

Applications for fixed protection need to be made to HMRC prior to the 5 April 2012.

23.2 **We** may, from time to time, be charged with a scheme sanction charge in relation to **your SIPP**. A scheme sanction charge is a charge to tax that becomes payable by **us** as **scheme administrator** when a scheme chargeable payment is made in accordance with the Finance Act 2004 and will be deducted from **your SIPP**. **You** agree to be responsible for, and remain responsible for, any such scheme sanction charge, except to the extent that the scheme sanction charge is attributable, directly or indirectly, to any fraud, negligence, wilful default or breach of regulatory duty on the part of any member of the **Suffolk Life Group** or any of their employees or agents. Where **we** are unable to meet these charges from **your SIPP**, **you** agree to pay to **us** on demand any such shortfall.*

***23.2 A scheme chargeable payment is a payment by your SIPP that is not an authorised payment as defined in the Finance Act 2004. Authorised payments for your SIPP are:**

- **permitted pension and income payments;**
 - **permitted lump sum payments;**
 - **permitted death benefit payments;**
 - **recognised transfers to UK registered pension schemes or certain qualifying overseas pension schemes; and**
 - **pension sharing orders.**
-

23.3 Any VAT on external charges or expenses will be payable in addition to the charges and expenses unless the charge is in respect of **property** on which **we** have on **your** instructions opted to tax the **property** for VAT, in which case the VAT should be recoverable.

23.4 The tax charges mentioned in this paragraph are based on **our** understanding of the relevant legislation as at March 2011 and the Government's proposed changes from 6 April 2011 published in draft legislation on 9 December 2010 and may be subject to change.

24 Complaints

- 24.1 You can address any complaints about our services, in writing, to the:
- Managing Director
Suffolk Life Pensions Limited
153 Princes Street
Ipswich
Suffolk IP1 1QJ
- 24.2 If the matter is not dealt with to your satisfaction, you can write to the:
- Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR
Telephone 0800 0 234 567
www.financial-ombudsman.org.uk.
- 24.3 Alternatively you may also refer your complaint to the:
- Pensions Ombudsman
11 Belgrave Road
London SW1V 1RB
Telephone 020 7630 2200
www.pensions-ombudsman.org.uk
- 24.4 Making a complaint, unless made to the Pensions Ombudsman, will not prejudice your right to take legal proceedings.
- 24.5 For free help and advice regarding your pension, you can also contact:
- Pension Advisory Service
11 Belgrave Road,
London SW1V 1RB
Telephone 0845 601 2923
www.pensionsadvisoryservice.org.uk

25 Financial Services Compensation Scheme (FSCS)

- 25.1 Both we and Suffolk Life Annuities are covered by the FSCS. This paragraph sets out our understanding of the level of compensation available to you should we or Suffolk Life Annuities be unable to meet our obligations to you.
- 25.2 In the event that we are unable to meet our obligations to you then you may be eligible to make a claim for compensation under the FSCS. This is limited to 100% of the first £50,000, therefore the maximum amount available would be £50,000.
- 25.3 In the event that Suffolk Life Annuities is unable to meet its obligations to us, then we or you may be eligible to make a claim for compensation under the FSCS. As Suffolk Life Annuities provides trustee investment plans to the trustee, the maximum amount that can be claimed is 90% of the value of the trustee investment plan with no upper limit.
- 25.4 In the event that the bank is unable to meet its obligations to us, then we or you may be eligible to make a claim for compensation under the FSCS. This is limited to 100% of the first £85,000 held on deposit with the bank in respect of your SIPP, therefore the maximum amount available would be £85,000.
- 25.5 In the event that a provider of an underlying investment is unable to meet its obligations to us, then we or you may be eligible to make a claim for compensation under the FSCS. The maximum amount that can be claimed will depend on the investment type.
- 25.6 For further details of the FSCS, their contact address is 7th Floor, Lloyds Chambers, Portsoken Road, London E1 8BN. Their contact telephone number is 0207 892 7300 and their website is www.fscs.org.uk

26 Variation and termination

- 26.1 These **terms** will apply until:
- a. **you** cease to be a member of the **scheme**; or
 - b. **we** amend these **terms**.
- 26.2 Without affecting to **your** rights to transfer, **we** may amend these **terms** by written notice to **you**. **We** will only make reasonable changes for fair and valid reasons, as follows:
- a. to comply with:
 - i. any changes to applicable law, regulation, the judgement of any court, regulator or ombudsman or any industry guidance or code likely to affect the operation of **your SIPP** or pension schemes generally;
 - ii. any changes to the taxation regime of **your SIPP** or pension schemes generally;
 - iii. any changes to **our** or the **trustee's** investment rights or powers; or
 - b. changes to the administration of **your SIPP**, changes to relevant staff, systems and related technology and, in any case, after giving **you** at least 90 days prior written notice.
- 26.3 Where these **terms** are to be amended **we** will give **you** as much notice as is reasonably possible in the circumstances, which will generally be at least 30 days' written notice. In the event that any amendment of the **terms** made by **us** under paragraph 26.2 b are unacceptable to **you** and provided **you** are acting reasonably, **you** may within three months of receiving notice of the amended **terms** request a transfer of **your SIPP** in accordance with paragraph 15.1. In such circumstances, **we** will not charge **you** any fee in respect of the transfer, although **you** will be responsible for any other **costs**.
- 26.4 Where these **terms** are amended, **we** may notify **you** where the revised **terms** can be accessed via **our** website. Paper copies of the **terms** will be available on request.
- 26.5 **We** may after giving **you** at least six months' prior written notice, require **you** to transfer the **investments** and cash held in respect of **your SIPP** net of any liabilities (less the amount required to satisfy all charges due to **us** and all **costs** chargeable to **your SIPP**) to another pension scheme that is a registered scheme within the meaning of section 153 of the Finance Act 2004 or which under that section is treated as a registered scheme as chosen by **you**. Investment transactions already initiated by **us** will be completed. **We** will not charge **you** any fee or any **costs** in respect of the transfer.

- 26.6 **We** may ask **you** to transfer **your SIPP** in accordance with the provisions of paragraph 26.5 for reasons including but not limited to the following:
- a. changes in legislation;
 - b. where the **scheme** becomes too expensive for **us** to operate;
 - c. if **we** make an alternative scheme available that provides the same benefit; or
 - d. if the registration of the **scheme** is removed by **HMRC**.

We also reserve the right to ask **you** to transfer **your SIPP** in accordance with paragraph 26.5 in those cases whereby in **our** reasonable opinion **your** behaviour is deemed inappropriate or unreasonable, including but not limited to abuse, offensive and or threatening language or action.

- 26.7 If **you** fail to comply with the requirements made under the above paragraph 26.5, **we** may treat **you** as having instructed **us** in writing to encash the whole of **your SIPP** and to transfer the cash proceeds (less the amount required to satisfy all charges due to **us**, all **costs** chargeable to **your SIPP** and all liabilities of **your SIPP**) to such other pension scheme that is a registered scheme within the meaning of section 153 of the Finance Act 2004 or which under that section is treated as a registered scheme as **we** in **our** discretion may choose and **you** authorise **us** to execute any documentation on **your** behalf necessary to do so.

27 Waiver

- 27.1 **We** may agree in writing with **you** to waive any condition contained in these **terms**.
- 27.2 Any waiver under paragraph 27.1 of any condition on any occasion does not bind **us** to waive that condition on any other occasion.

28 Conflicts of interest

- 28.1 During the period where **we** are administering **your SIPP** conflicts of interest may arise between **you** and **us**, **our** employees or **our** associated companies. A conflict of interest is where **our** duties to **you** as **our** customer may conflict with what is best for **ourselves** or other customers. To ensure that **we** treat customers consistently and fairly, **we** have a policy on how to manage these conflicts. A copy is available on request from **our** contact address shown at the foot of the back page.

Appendix A if your SIPP holds protected rights in a Trustee Investment Plan issued by Suffolk Life Annuities Limited

i This appendix only applies if you took out your Suffolk Life MasterSIPP between 30 October 2007 and 15 March 2010, transferred in **protected rights** benefits between these dates and these are still held via a **Trustee Investment Plan (TIP)** issued by **Suffolk Life Annuities** to the **trustee**. If you established a MasterSIPP between the above dates and wish to transfer in **protected rights** benefits for the first time, then this appendix does not apply and the terms as set out in paragraphs 1-28 shall apply.

Since this TIP is designed for **protected rights** pension benefits, it is called a **protected rights TIP**, or **PR TIP**. The **trustee** will hold your **PR TIP** on your behalf as an asset of your **SIPP**:

- You can choose **investments** from those marked as acceptable for **protected rights** on the relevant **schedule of allowable investments** (some **investments** which are allowed for your **non-protected rights** benefits are not acceptable for your **protected rights** benefits).
- You can also appoint an **investment manager** in the same way as for the **non-protected rights** benefits in your **SIPP**. Please note, however, that any **investment manager** must invest only in **investments** which are marked as acceptable for **protected rights** on the **schedule of allowable investments**.
- The **investments** and other assets in respect of your **protected rights** benefits will be owned by **Suffolk Life Annuities** and the value of your **PR TIP** will be based on the net value of those assets.
- We will include the value of your **PR TIP**, and the **investments** which comprise it, in valuations on the secure internet portal and in formal annual valuations, so you will see a combined view of your **protected rights** benefits and **non-protected rights** benefits.
- Additional fees will apply to your **PR TIP**, as set out in the relevant **schedule of fees**.

You can check an up-to-date version of the **schedule of allowable investments** or **schedule of fees** on our website or request a copy.

Expression

What it means in this appendix

PR TIP

the **trustee investment plan** insurance policy issued by **Suffolk Life Annuities** in accordance with these **terms** to the **trustee** for the purposes of holding **protected rights** benefits.

PR TIP bank account

the bank account opened with the **bank** for the purposes of your **PR TIP** in accordance with paragraph A1.3.

your PR TIP

the self-invested fund under the **PR TIP** established in respect of your **protected rights** benefits held by the **scheme**. Your **PR TIP** is held by the **trustee** as an asset of your **SIPP**. References to your **PR TIP** include any **investments** or benefits held within it, except where the context otherwise requires.

A1 Introduction

- A1.1 In addition to the meanings set out in Paragraph 1.6 above, the meanings of some additional words and expressions used only in Appendices A and C are set out above.
- A1.2 To the extent that any transfer into your **SIPP** under paragraph 5.1 above is in respect of **protected rights** benefits, the **trustee** will secure the **protected rights** benefits by investing your **protected rights** benefits in a self-invested fund of the **PR TIP** with **Suffolk Life Annuities** as described in paragraph C2.1. Your **PR TIP** will be held by the **trustee** as an asset of your **SIPP**.
- A1.3 In respect of your **protected rights** benefits, **Suffolk Life Annuities** will maintain a bank account with the **bank** solely for your **PR TIP**. This will be a corporate account of **Suffolk Life Annuities**. Any credit balance will attract interest at varying rates depending on the amount deposited. The relevant interest rates at anytime in the future (see paragraph 6.2 for the rates at March 2011) will be available on our website or on request. Any credit balance on the **PR TIP bank account** is not aggregated with a credit balance on your **SIPP bank account** in calculating interest rates.
- Where the rate of interest earned by the **PR TIP bank account** is less than the amount of interest paid by the bank to **Suffolk Life Annuities** across all the accounts it has with them, it will keep the difference.
- A1.4 The provisions of paragraph 6.6 other than the accounts being client accounts shall apply as if references **we** or **us** are to **Suffolk Life Annuities** and references to the **SIPP bank account** and your **SIPP** are to the **PR TIP bank account** and your **PR TIP** respectively.
- A1.5 More details about the operation of your **PR TIP** are set out in Appendix C.
- A1.6 Benefits held within a **PR TIP** held as part of your **SIPP** will constitute a separate **arrangement**.
- A1.7 Under current law, if you choose to purchase a **lifetime annuity** from your benefits held under a **PR TIP** and you have a spouse or registered civil partner, the **lifetime annuity** must provide a spouse's or registered civil partner's pension.
- A1.8 If you wish to acquire **property** this may be acquired by your **PR TIP** and the provisions of Appendices B and C should be read accordingly.

Appendix B if your SIPP holds property

i If you wish your SIPP to hold property it will be held through an insurance policy issued by Suffolk Life Annuities to the trustee of your SIPP through a trustee investment plan or TIP. Since this TIP is designed for property investments, it is called a property TIP.

- The trustee will hold your property TIP on your behalf as an asset of your SIPP
- The property will be purchased by Suffolk Life Annuities. The purchase can be funded by borrowing in the same way as a direct SIPP property purchase.
- The property and other assets in respect of your property TIP will be owned by Suffolk Life Annuities and the value of your property TIP will be based on the net value of those assets.
- We will include the value of your property TIP, and the property and other assets which relate to it, in valuations on the secure internet portal and in formal annual valuations.
- Additional fees will apply to the property purchase, disposal and management, as set out in the schedule of fees.

If you have a PR TIP and you wish the protected rights benefits of your SIPP to hold property, this will be done through your PR TIP and the provisions of this appendix should be read accordingly.

Detailed information about our approach to SIPP property purchase is contained in *A Guide to SIPP Property Purchase* on our website or you can request a copy.

Expression

property TIP

What it means in this appendix

the trustee investment plan insurance policy issued by Suffolk Life Annuities in accordance with these terms to the trustee for the purposes of holding property.

property TIP bank account

the bank account opened with the bank for the purposes of your property TIP in accordance with paragraph B2.3.

your property TIP

the self-invested fund under the property TIP established in respect of property to be held as an investment of the scheme in respect of you. Your property TIP is held by the trustee as an asset of your SIPP. References to your property TIP include any investments or benefits held within it, except where the context otherwise requires.

B1 Introduction

B1.1 In this Appendix, references to we, us, our or ourselves include references to Suffolk Life Annuities.

B1.2 In addition to the meanings set out in Paragraph 1.6 above, the meanings of some additional words and expressions used only in Appendices B and C are set out above.

B2 Purchasing a property

B2.1 If you wish your SIPP to purchase a property, you must:

- a. read *A Guide to SIPP property purchase and property insurance notes* (each available from our website, which set out how the proposed property purchase or transfer will proceed;
- b. complete a *Suffolk Life property form* giving details of the property and how the proposed purchase or transfer is to be funded, including details of any joint owners;
- c. accept the terms of the *Suffolk Life property form* and sign both the investor's declaration and insurance declaration;

- d. agree that our costs and the costs we incur in appointing third parties to act for us in relation to the proposed purchase or transfer will be calculated and payable from your SIPP as described in paragraph 19 even if the proposed purchase or transfer is not completed; and
- e. accept and sign a *Suffolk Life Group investment agreement*, where appropriate.

The Suffolk Life property guide, property insurance notes, property form and group investment agreement may be amended and/or updated from time to time and any property investment will be on the basis of the then current documentation.

B2.2 If you wish your SIPP to acquire a property, we will establish your property TIP.

B2.3 On receipt of the premium in respect of the property proposed to be acquired, Suffolk Life Annuities will open a bank account with the bank solely for your property TIP. This will be a corporate account of Suffolk Life Annuities. Any credit balance will attract interest at varying rates depending on the amount deposited. The relevant interest rates at any time in the future (see paragraph 6.2 for the rates at March 2011) will be available on our website or on request.

- Any credit balance on the **property TIP bank account** is not aggregated with a credit balance on **your SIPP bank account** in calculating interest rates. Where the interest earned by the **property TIP bank account** is less than the amount of interest paid by the **bank to Suffolk Life Annuities** across all the accounts it has with them, it will keep the difference.
- B2.4 **We** may appoint solicitors and/or surveyors chosen by **you** also to act for **us** if **we** and they are satisfied that there is no conflict of interest and that it is otherwise appropriate. Their fees, including applicable VAT, together with Stamp Duty Land Tax and disbursements (for example, Land Registry fees and out of pocket expenses) will be payable from **your property TIP**.
- B2.5 **We** reserve the right if **we** consider it appropriate to appoint a surveyor or equivalent person to manage any **property** acquired for **your SIPP**. The fees of the surveyor or equivalent person, including applicable VAT, will be payable from **your property TIP** in accordance with paragraph 19.2. If **we** do not make such an appointment, **we** will manage the **property** on the **terms** detailed in the *Suffolk Life property form* and fees and **costs** will be calculated and charged in accordance with paragraph 19.
- B2.6 **We** may acquire and hold **property** or any interest in **property** in the name of a nominee.
- B2.7 As the owner of the **property** **we** will make any decisions that are necessary and reasonable with respect to it. This will wherever possible be after consultation with **you**. But **we** will not be obliged to take into account any representations **you** make if **we** do not consider them to be appropriate in the interests of maintaining **your property investment**. **We** will advise **you** in a timely fashion of any decisions **we** make.
- B2.8 **We** will make arrangements for the custody of title deeds if these are not held by the solicitors or any lender acting on any purchase of **property** for **your property TIP** and any **costs** will be payable from **your property TIP**.
- B2.9 **We** will also make arrangements for insuring on **our** block policy **property** held in **your property TIP**. The insurance premiums payable for such insurance will be payable from **your property TIP** and should be chargeable to the tenant under the terms of the lease. **Suffolk Life Annuities** receives income from the insurer providing the block policy.
- B2.10 Prior to any proposed sale of a **property** which is held as an asset of **your property TIP**, **we** will require an appropriately qualified valuer to undertake a formal valuation of the **property**. If **you** do not nominate a valuer for **us** to instruct, **we** will appoint a valuer of **our** choice. The valuer's fees and any other **costs** associated with the valuation will be payable from **your property TIP**.
- B2.11 **You** agree to be responsible, for and to remain responsible for, all claims, losses and liabilities of any nature (including environmental claims, losses and liabilities) arising out of **property** held in **your property TIP**. Without prejudice to the generality of this provision, if in **our** reasonable opinion **our** continued holding of any **property** in **your property TIP** may expose **us** to any such claims, losses or liabilities which **we** may not be able to meet from **your SIPP**, **we** may at any time, if **we** so choose, require **you** to buy that **property** from **us** at fair market value or £1, whichever is the greater. **You** must do all things and execute all documents that **we** may reasonably require to give effect to **our** rights under this paragraph. The above provision applies also to any liability **we** incur in respect of any borrowing **we** undertake in respect of **your SIPP** or **your property TIP** (see paragraph 11 and Appendix C, paragraph C3.)

Appendix C how the trustee investment plan works

i This Appendix summarises how a **PR TIP** and a **Property TIP** are operated. Please contact **your adviser** or call us if you have any questions.

Expression

What it means in this appendix

actuary	the actuary at the relevant time appointed under section 340 of Financial Services and Market Act 2000 and as required by the FSA by Suffolk Life Annuities .
ICTA	Income and Corporation Taxes Act 1988.
TIP	the trustee investment plan issued in respect of protected rights benefits or property purchase , as the case may be.
TIP bank account	the PR TIP bank account and/or the property TIP bank account as appropriate.
your TIP	your PR TIP and/or your property TIP , as appropriate.

C1 Introduction

- C1.1 In this Appendix, references to **we, us, our** or **ourselves** include references to **Suffolk Life Annuities**.
- C1.2 In addition to the meanings set out in Paragraph 1.6 above, the meanings of some additional words and expressions used only in this Appendix are set out above.

29 How the Trustee Investment Plan (TIP) works

- C1.3 Each **TIP** is a policy issued to the **trustee** by **Suffolk Life Annuities**, an authorised insurance company. **Investments** held in a **TIP** will be part of the fund maintained by **Suffolk Life Annuities** for the purpose of its long-term insurance business (as defined by the **FSA**). Pension benefits held under a **PR TIP** or **property investments** under **your SIPP** will be determined wholly by reference to the value of the assets and liabilities which **Suffolk Life Annuities** hold in respect of **your TIP**, including the balance on the **TIP bank account**. These assets and liabilities are notionally allocated to **your TIP** but neither **you**, nor any other person who may be entitled to benefit under **your SIPP**, have or will acquire any legal or beneficial interest in them directly. All references in these **terms** to assets and liabilities of **your TIP** are to be interpreted accordingly.
- C1.4 For effective operation of **your TIP**, **Suffolk Life Annuities** requires **you**, at the time of making an **investment** or transferring funds to an **investment manager**, to maintain a minimum balance in the **TIP bank account**, appropriate to the regular transactions in **your TIP** (e.g. drawdown income payments, loan repayments, fees, etc). **We** will advise **you** of this each time **you** ask **us** to make an **investment** or transfer funds to an **investment manager**. **You** are required to ensure that there are sufficient funds in the **TIP bank account** to meet any expected single or regular payments. If there are insufficient funds in the **TIP bank account** to make such payments, including payment of any benefits to **you, we** at **our** discretion will not make the payment.
- C1.5 The **TIP bank account** may only be overdrawn in accordance with these **terms**.
- C1.6 Any investment income or capital gains arising from the assets of **your TIP** and interest earned on the balance on the **TIP bank account** will be credited to, and form part of, the assets of **your TIP**. Any loan or interest expense relating to **your TIP** will be debited to, and form part of, the liabilities of **your TIP**.
- C1.7 Under the **terms** of an agreement between **Suffolk Life Annuities** and **us**, **we** will administer the **TIP**. **You** may give **us** instructions in relation to **your TIP** and **we** will receive and transact them, subject to these **terms**, on behalf of **Suffolk Life Annuities**. Any reference in these **terms** to **us** directing the **trustee** shall be read, in the context of a **TIP**, as a reference to **our** administering the **TIP** on behalf of **Suffolk Life Annuities**.
- C1.8 **You** may:
- ask **us** to appoint an **investment manager** in relation to **your TIP**. The provisions of paragraph 8 will apply, save that the appointment will be made by **Suffolk Life Annuities** and the **investment manager** will thereafter be acting on behalf of **Suffolk Life Annuities** in relation to **your TIP**. The **investment manager** must undertake not to acquire **investments** which fall outside those listed as acceptable for the **TIP** on the **schedule of allowable investments**; and*

- b. ask us to invest amounts credited to the **TIP bank account** in accordance with paragraphs 9 and 10.

In this event:

- i. instructions given under paragraph 9 are given to us as agent for **Suffolk Life Annuities**;
- ii. paragraph 5.4 shall be read as if references to **your SIPP** are to **your TIP** and references to us include references to **Suffolk Life Annuities**;
- iii. in paragraphs 7.3 to 7.5 inclusive and 7.7 to 7.10 inclusive, references to **your SIPP** shall be read as references to **your TIP**, and references to the **SIPP bank account** shall be references to the **TIP bank account**, and all references to "we", "us", "our" and "ourselves" shall be read as references also to **Suffolk Life Annuities**; and
- iv. you agree that any instruction to acquire **investments** for **your TIP** will be subject to the legislation and rules, regulations and directions applicable to **insurance companies** generally or to **Suffolk Life Annuities** in particular.

* **C2.6 If you wish, the same investment manager can be appointed in respect of your PR TIP and your non-protected rights. In this case, as explained here, the investment manager will operate two separate investment accounts, one for each of your pension entitlements, and the range of allowable investments will be different for each account.**

- C1.9 If you tell us that you wish **your TIP** to invest in term deposits with a bank or building society, **Suffolk Life Annuities** will at its discretion endeavour to establish such an account or accounts. It will not enter into a term deposit of more than one year unless the bank or building society will agree that **Suffolk Life Annuities** may withdraw the deposit during the term. Any penalty charged by the relevant bank or building society as a result of the early withdrawal of a deposit will be payable from **your TIP**.
- C1.10 Any agent appointed to act on **your** behalf in accordance with paragraph 18 may also act in respect of **your TIP**.

C2 Borrowing

- C2.1 In addition to using monies held in a **TIP bank account** to purchase an **investment**, you may ask us to agree to borrowing. The provisions of paragraph 11 will apply to **your TIP**, with references to **we**, **us**, **our** or **ourselves** being read as including references to **Suffolk Life Annuities**, and with the reference to borrowing being arranged in the trustee's name as trustee of the scheme being read as borrowing being arranged in the name of **Suffolk Life Annuities**.

C3 Transfers out and payment of benefits from your TIP

- C3.1 Any transfer out or payment of benefits under paragraphs 12, 13, 14 or 15 will be subject to satisfaction of all costs chargeable to **your TIP** and all liabilities of **your TIP** (including any costs arising in relation to any transfer) having been satisfied. If you ask us to transfer assets out of **your SIPP** in accordance with paragraph 15.2, **your TIP** may not itself be transferred, but the assets allocated to **your TIP** may be transferred, if we agree.
- C3.2 The provisions of paragraph 16 apply to **your TIP** as they do to **your SIPP** and references to trustee being read as references to **Suffolk Life Annuities**.

C4 Valuation and reporting of your TIP

- C4.1 The value of **your TIP** will be included in the valuation reports referred to in paragraph 17.
- C4.2 **Suffolk Life Annuities** may, from time to time, adopt such valuation rules in relation to assets allocated to **your TIP** as may be required by law and/or approved by its actuary.

C5 Fees, charges and expenses of your TIP

- C5.1 The fees and charges payable to **Suffolk Life Annuities** in respect of **your TIP** and the circumstances in which they may be increased are set out in the **schedule of fees** as amended from time to time.
- C5.2 The provisions of paragraphs 19.2 to 19.8 shall apply to **your TIP** as to **your SIPP**, so that references to **your SIPP** shall be read as references to **your TIP**, references to the **SIPP bank account** shall be read as references to the **TIP bank account** and references to "we", "us" and "our" shall be read as references to **Suffolk Life Annuities**. If there is insufficient cash in **your TIP bank account** to settle fees or charges or other amounts due under paragraphs 19.3 or 19.4, **you** agree that **we** may invest monies credited to **your SIPP bank account** as a further premium into **your TIP** to settle the outstanding fees, charges or amounts due.
- C5.3 Subject to paragraph C6.5, **Suffolk Life Annuities** will also be entitled to charge the following **costs** to **your TIP**:
- a. all expenses incurred by **Suffolk Life Annuities** (including claims, losses and liabilities) in acquiring, holding, disposing of, transferring or valuing any **investment** or other asset of **your TIP**;
 - b. all fees, commissions, charges, disbursements and other **costs** charged by any **investment manager**, nominee, banker, custodian, solicitor, surveyor, mortgagee or anyone else providing related services or **agent** (including any adviser) appointed in relation to **your TIP** or any part of **your TIP**;
 - c. all taxes, duties, levies or other liabilities to which **Suffolk Life Annuities** become responsible as a result of purchasing, holding, disposing of or transferring any **investment** or other asset allocated to **your TIP**; and
 - d. an amount equal to any tax for which **Suffolk Life Annuities** (or reasonably expects to become) is charged with in respect of **your TIP** if the policy does not constitute or ceases to constitute pension business as defined in section 431B of ICTA.
- C5.4 Subject to paragraph C6.5, if **Suffolk Life Annuities** becomes liable to:
- a. pay any levies directly or indirectly attributable to **your TIP** in relation to the **Financial Services Compensation Scheme**; or
 - b. pay any tax or levies imposed on **your TIP** or on any premium paid or monies allocated in respect of it; or

- c. make any other payment to the UK Government, any governmental agency or regulator or self regulatory organisation of which **Suffolk Life Annuities** is or becomes a member, to the extent directly or indirectly attributable to **your TIP**, **Suffolk Life Annuities** may reimburse itself in respect of the levy, tax, liability, charges or other payment by way of making a charge to the **TIP** as it may reasonably determine.

This will be on a basis similar to how the levy, tax, liability, charge or other payment has been calculated.

- C5.5 Paragraphs C6.3 and C6.4 will not apply to the extent that the relevant event is attributable, directly or indirectly, to any fraud, negligence, wilful default or breach of regulatory duty on the part of any member of the **Suffolk Life Group** or their employees or agents.

C6 General

- C6.1 The provisions of paragraphs 20 to 22 and 24 and 25 apply to **your TIP** as to **your SIPP** so that references to **your SIPP** shall be read as references to **your TIP** and references to "we", "us" and "our" shall be read as references to **us** and **Suffolk Life Annuities**.

C7 Tax provisions of the TIP

- C7.1 **Your TIP** is made available to **your SIPP** strictly on the condition that the issue of the policy is pension business as that term is defined in section 431B of ICTA.
- C7.2 If **Suffolk Life Annuities** discovers that the issue of any such policy as is referred to in paragraph C8.1 above does not constitute, has ceased to constitute or never constituted pension business as so defined:
- a. **we** will tell **you** of this;
 - b. **we** will treat **you** as having instructed **us** to encash **your TIP** (in whole or in part as **we** may specify) and to transfer the resulting monies to a suitable arrangement as chosen by **you** (or if **you** do not give **us** instructions, as chosen by **us** in our discretion); and
 - c. **you** will take such other action as may reasonably be required by **us**.

C8 Reinsurance

- C8.1 **Suffolk Life Annuities** is entitled to reinsure its liabilities under any insurance policy issued to the **trustee** that relates to **your SIPP** in whole or in part at any time. **Suffolk Life Annuities** is entitled to do this without notice to or consent from **you**.
- C8.2 Any person to whom liabilities are reinsured by **Suffolk Life Annuities** in accordance with the preceding paragraph may be permitted further to reinsure all or any liabilities that are reinsured to it in accordance with the preceding paragraph.

C9 Variation and termination of the TIP

- C9.1 Without affecting to **your** rights to transfer, **we** and **Suffolk Life Annuities** may amend the **terms** by written notice to **you**. **We** and **Suffolk Life Annuities** will only make reasonable changes for fair and valid reasons, as follows.
- a. To comply with:
 - i. any changes to applicable law, regulation, the judgement of any court, regulator or ombudsman or any industry guidance or code likely to affect the operation of **your TIP** by **Suffolk Life Annuities**;
 - ii. any changes to the taxation regime of **Suffolk Life Annuities** (including **HMRC** declining or ceasing to treat the issue of policies of insurance by **Suffolk Life Annuities** to **us** as pension business) or assets allocated to **your TIP**; or
 - iii. **Suffolk Life Annuities'** investment rights or powers; or
 - iv. pension schemes; or
 - v. the requirements of any relevant regulatory or supervisory authority; or
 - b. to enable **Suffolk Life Annuities** to reinsure liabilities under **your TIP**; or
 - c. changes to the administration of **your TIP**, changes to relevant staff, systems and related technology and, in any other case, after giving **you** at least 90 days' prior written notice.
- C9.2 Where the Appendix is to be amended under paragraph C10.1a, C10.1b or 10.1c, **Suffolk Life Annuities** will give **you** as much notice as is reasonably possible in the circumstances, which will generally be at least one month's written notice. In the event that any amendment of the **terms** made by Suffolk Life under paragraph C10.1c or C10.1d. are unacceptable to **you** and provided **you** are acting reasonably, **you** may within three months of receiving notice of the amended **terms** request a transfer of **your SIPP** in accordance with paragraph 15.1. In such circumstances, **we** will not charge **you** any fee in respect of the transfer, although **you** will be liable for any other **costs**.
- C9.3 After giving **you** at least six months' prior written notice:
- a. **we** may require the **trustee** to terminate **your TIP**; or
 - b. **Suffolk Life Annuities** may terminate **your TIP**. If **your TIP** is so terminated then **Suffolk Life Annuities** will transfer the **investments** and cash held in respect of **your TIP** net of any liabilities (less the amount required to satisfy all charges due to **us** and all **costs** chargeable to **your TIP**) to the **trustee**. Transactions already initiated by **us** will be completed. **We** will not charge **you** any fee or any **costs** in respect of the transfer.
- C9.4 **Suffolk Life Annuities** may require the **trustee** to transfer **your TIP** in accordance with the provisions of paragraph C9.3 for reasons including but not limited to the following:
- a. changes in legislation;
 - b. where the **TIP** becomes too expensive for **Suffolk Life Annuities** to operate; or
 - c. **HMRC** ceases to treat the issue of policies of insurance by **Suffolk Life Annuities** to the **trustee** as pension business
- We** also reserve the right to require the **trustee** to transfer **your TIP** in accordance with paragraph C9.3 in those cases whereby in **our** reasonable opinion **your** behaviour is deemed inappropriate or unreasonable, including but not limited to abuse, offensive and or threatening language or action.

Notes:

Notes:

Contact us

Suffolk Life

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Ipswich

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www.suffolklife.co.uk

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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 or into which protected rights benefits may be invested.

The registered address of all companies is 153 Princes Street, Ipswich, Suffolk, IP1 1QJ, United Kingdom

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