

Terms and Conditions

for the Suffolk Life SIPP (Deed Poll scheme)

**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**
- » Policy Provisions

This is an important document which sets out the terms and conditions of **your SIPP** and how it will be operated. These terms and conditions take effect from the 6 April 2011 and 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.

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i The Suffolk Life SIPP (your SIPP) is a self-invested pension plan which allows you choice in how your pension assets are invested. You (or your employer) can contribute to your SIPP and you can arrange for pension benefits held in other pension arrangements to be transferred into your SIPP (this is a specialist area and you should seek appropriate advice before taking action). For example, you might decide to consolidate several different pension entitlements currently with insurance companies or previous employers into one place in your SIPP.

Your SIPP will have its own bank account and all monies relating to ordinary pension benefits 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.

Please read through these terms for full details on how your SIPP operates. If you have any questions, please contact your adviser or call us on 0870 414 7000 or you can browse information at www.suffolklife.co.uk.

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 do not 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 Annuities Limited of 153 Princes Street, Ipswich, IP1 1QJ, as provider 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 box opposite have the meanings listed below.
- 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
actuary	the actuary we at the relevant time have appointed under section 340 of FSMA and the FSA Handbook.
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.
	* You might want to appoint an investment professional/financial adviser or a member of your family to act on your behalf. Details are in paragraph 18.
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 scheme 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 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.
deed poll and rules	the deed under which the scheme is constituted, together with the rules annexed to the deed, as amended from time to time. This deed poll was signed by us on 21 February 1996.
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

flexible drawdown

What it means in this document

an alternative to **capped drawdown** that allows unlimited pension income withdrawals from **your drawdown pension fund**.

You must meet the conditions in section 165 of the Finance Act 2004. In general terms, these conditions are that:

- a. **you** complete, and **we** accept, a declaration from **you** that:
 - 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:
 - 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.

Some other types of income, including **capped drawdown** and **flexible drawdown**, do not count towards the minimum annual amount.

force majeure

as described in paragraph 22.2.

FSA

the Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS.

FSA Handbook

the rules from time to time made by the **FSA** under **FSMA** insofar as they may relate to **Suffolk Life**.

FSMA

the Financial Services and Markets Act 2000.

HMRC

HM Revenue & Customs.

ICTA

Income and Corporation Taxes Act 1988.

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.**

Expression	What it means in this document
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.
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.
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 .
policy provisions	the provisions, as amended by us, issued by us to you when your SIPP was established.
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).*
* 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 Self-Invested Personal Pension, a registered pension scheme established under the deed poll and rules .
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 corporate bank account of ours identified as relating to your SIPP 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	either Suffolk Life Pensions or us .
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.
Suffolk Life Pensions	Suffolk Life Pensions Limited, a company registered in England under company number 1180742 of 153 Princes Street, Ipswich, IP1 1QJ, who have been appointed by us to act as the scheme administrator .
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 and in the other documents referred to in paragraph 3.1 below, as updated from time to time.
uncrystallised your SIPP	the whole or part of an arrangement from which benefits have not been taken. the Suffolk Life SIPP 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** is a registered pension scheme under the Finance Act 2004 and has been registered with HMRC. We are the provider of the plan and the operator of the **scheme** and the company with whom you are contracting in respect of **your SIPP**. We have appointed Suffolk Life Pensions to administer the **scheme** in accordance with the **deed poll and rules**. You may give instructions to Suffolk Life Pensions in relation to **your SIPP** and they will receive and transact them, subject to these **terms**, on our behalf. In the event of any conflict in these **terms** with the **policy provisions and deed poll and rules**, the **policy provisions and deed poll and rules** will take priority.
- 2.2 Both we and Suffolk Life Pensions are authorised and regulated by the Financial Services Authority (FSA). Both we and Suffolk Life Pensions are each entered on the FSA Register. Our FSA register number is 110468 and Suffolk Life Pension's FSA register number is 116298. 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. 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 **Your SIPP** is an insurance policy issued by us to you. Investments held for **your SIPP** will be part of the fund maintained by us for the purpose of our long-term insurance business (as defined in the FSA Handbook). The value of **your SIPP** will be determined wholly by reference to the value of the assets and liabilities which we hold in respect of **your SIPP**, including the balance on the **SIPP bank account**. These assets and liabilities are notionally allocated to **your SIPP** 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 SIPP** are to be interpreted accordingly.
- 2.6 **Your SIPP** is made available to you strictly on the condition that the issue of the plan is pension business as that term is defined in section 431B of ICTA.
- 2.7 If we discover that the issue of any such plan as is referred to in paragraph 2.6 above does not constitute, has ceased to constitute or never constituted pension business as so defined:
- we will tell you of this;
 - we will treat you as having instructed us to encash **your SIPP** (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
 - you will take such other action as may reasonably be required by us.
- 2.8 We are entitled to reinsure our liabilities under **your SIPP** in whole or in part at any time. We are entitled to do this without notice to or consent from you.
- 2.9 Any person to whom liabilities are reinsured by us in accordance with paragraph 2.8 may be permitted further to reinsure all or any liabilities that are reinsured to it in accordance with paragraph 2.8.
- 2.10 **Your SIPP** policy may not be assigned or surrendered except to the extent permitted by the **policy provisions** and applicable legislation and then only with our prior written consent.
- 2.11 These **terms** and any policies we issue 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 **policy provisions and rules**;
 - the **schedule of allowable investments**;
 - the **schedule of fees**;
 - the *Suffolk Life SIPP 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.

3.3 **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 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.*

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

3.5 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 years 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**).*
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- * 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 accept **protected rights** and 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.*
-
- * 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.
-
- 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 Suffolk Life Pensions will give advice, nor do Suffolk Life 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** and 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.**

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 The **SIPP bank account** may only be overdrawn in accordance with the terms and conditions of paragraph 11.

6.7 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 account of ours 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 account of ours 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 account of ours;
- 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 account of ours 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 account of ours pending payment to **HMRC**.

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

Alternative deposit accounts

- 6.8 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 account) 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.
- 6.9 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**.
- 6.10 The alternative deposit accounts are pooled accounts held by **us**. The funds of **your SIPP** will therefore be pooled with those of other clients. 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**. 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 **us**, or on **our behalf** by an **investment manager**, nominee or third party custodian (being a party that holds **investments** on behalf of **your SIPP**). **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 decide, or direct the **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 **Suffolk Life** or **your SIPP** or expose **Suffolk Life** 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**;
 - 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 the **order of disposal policy**. **We** will tell **you** if an **investment** is disposed of in accordance with paragraph 7.4.

- 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 6.8 to 6.10) the account must be in accordance with the current **schedule of allowable investments**. **We** will not enter into a term deposit of more than one year unless the bank or building society will agree that **we** 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 exercise, or ask an **investment manager** to exercise, voting rights in respect of any **investment** unless **you** ask us to; however neither **we** nor any **investment manager** is under any obligation to vote in accordance with **your** wishes. **We** will not 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 **Suffolk Life** will not be responsible for any loss (including loss of profit) in relation to, or reduction in value of any **investment**:
- 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;
 - not acquired or not disposed of in accordance with **our** rights under these **terms**;
 - 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
 - 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 appoint a person (**investment manager**) chosen by you to:
- 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;
 - 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
 - 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).
- 8.2 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 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. 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 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 our (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** 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 we enter 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 **you**, any **connected parties** or any pension scheme or trust of which **you** or any of **your connected parties** are 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 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 **Suffolk Life** are not 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** 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**.
- 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;
 - all other relevant statutory provisions; and
 - any other provisions of these **terms**.
- 9.5 **We** will be entitled not 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** are bound, or to any applicable court order;

- e. 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;
- f. 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;
- g. 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;
- h. 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
- i. 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 do not 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 dispose of an **investment** in accordance with **your** instructions if:
- a. **your** instructions are not given or, if we request it, confirmed to **us** in writing; or
 - b. 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:
- a. **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**;
 - b. any instructions that we receive from **you** or any **investment manager** cannot be implemented; or
 - c. 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 and 16.4, 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 9.6. We will tell **you** if we direct the **investment manager** in accordance with this paragraph 9.11.

10 Investments in property

- 10.1 If you wish **your SIPP** to purchase a **property**, you must:
- read *A Guide to SIPP property purchase and property insurance notes* (each available from our website or on request), which set out how the proposed **property** purchase or transfer will proceed;
 - 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;
 - accept the terms of the *Suffolk Life property form* and sign both the investor's declaration and insurance declaration;
 - 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
 - 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.**

*** 10.1 Additional fees will apply to the property acquisition, disposal and management, as set out in the schedule of fees. Detailed information about our approach to SIPP property purchase is contained in A Guide to SIPP Property Purchase on our website www.suffolklife.co.uk or you can request a copy by calling 0870 414 7000.**

- 10.2 Once funds are made available for the **property** proposed to be acquired, **we** will open a bank account with the **bank** solely in respect of the **property**. This will be a corporate account of ours. 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 on 0870 414 7000.
- Any credit balance on the **property 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 **property bank** account is less than the amount of interest paid by the **bank** to **us** across all the accounts **we** have with them, **we** will keep the difference.

- 10.3 **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 SIPP**.
- 10.4 **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 SIPP** 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.
- 10.5 **We** may acquire and hold **property** or any interest in **property** in the name of a nominee.
- 10.6 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.
- 10.7 **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 SIPP** and any costs will be payable from **your SIPP**.
- 10.8 **We** will also make arrangements for insuring the **property** held in **your SIPP** under the block policy **we** have taken out with an **insurance company**. The insurance premiums payable for such insurance will be payable from **your SIPP** and should be chargeable to the tenant under the lease. **We** receive income from the insurer of the block policy. If any income is earned in respect of such arrangements, **we** will retain it.
- 10.9 Prior to any proposed sale of a **property** which is held as an asset of **your SIPP**, **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 SIPP**.

- 10.10 You agree that you will be and will remain responsible for all claims, losses and liabilities of any nature (including environmental claims, losses and liabilities) arising out of property held in your SIPP. Without prejudice to the generality of this provision, if in our reasonable opinion our continued holding of any property in your SIPP 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.

11 Borrowing and overdrafts

- 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 must be arranged in our name as provider of the scheme and on terms satisfactory to us but we will not take responsibility for arranging a lender.*

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

- 11.2 The SIPP bank account may be overdrawn only with our and the bank's prior agreement. We and the bank may agree to an overdraft, for example, to meet any costs or liabilities that we are entitled to charge to your SIPP or to pay drawdown benefits to you pending our receipt of sale proceeds for, or income from, an investment. Borrowing will not generally be permitted to pay benefits due under your SIPP.
- 11.3 If we agree to an overdraft, we or the bank may require it to be repaid or reduced by written notice at any time. All interest charged by the bank in respect of any overdrawn balance will be a liability of your SIPP. We will provide you with the details of the applicable interest rate on request. If the SIPP bank account becomes overdrawn without our or the bank's prior agreement, for example because a cheque paid into the SIPP bank account does not clear, the bank may charge a higher rate of interest. Our overdraft arrangement fees and renewal fees will be due and payable to us in accordance with the schedule of fees, in addition to any fees charged by the bank.
- 11.4 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** choose to take **capped drawdown** from **your drawdown pension fund**, then:
- a. the amount of **capped drawdown** **you** take each year must not exceed the maximum amount allowed under Schedule 28 of the Finance Act 2004;
 - b. **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.
 - c. **We** will also recalculate the maximum amount:
 - i. each time **you** **crystallise** a further portion of an **arrangement**;
 - ii. if **you** choose to buy a **lifetime annuity** with part of **your drawdown pension fund**;
 - iii. because of the application of a pension sharing order; or
 - iv. 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.
- 12.7 If **you** meet the conditions for **flexible drawdown**, **you** can choose **flexible drawdown** instead of **capped drawdown**.
- 12.8 The following apply to **capped drawdown** and **flexible drawdown**:
- a. **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 working day of the month by direct credit to **your** personal bank account. **We** will stop payments when **you** die;
 - b. **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 12.9 below.
- 12.9 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;
 - c. whether the pension payable during **your** lifetime will continue in any event for a guaranteed period of up to 10 years; 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.
-
- * **12.9 A lifetime annuity must be purchased from another insurance company: we do not offer this.**
-
- 12.10 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.
- 12.11 Should a tax charge arise under paragraph 12.10, **you** agree that such tax charge shall be paid from **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**.
- 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:
- whether the benefits are **uncrystallised** or **crystallised**;
 - your** age at death; and
 - 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 **deed poll 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:
- if **you** die, **we** will pay a lump sum to **your** beneficiary(ies):
 - 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; or
 - if **you** are aged 75 or older at **your** death, **we** will deduct tax at 55% from the lump sum.
 - 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:
 - capped drawdown**;
 - if the **dependant** meets the conditions, **flexible drawdown**; or
 - a **lifetime annuity** bought from an **insurance company** chosen by the **dependant**.
 - 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.

- 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.
- The following apply to **capped drawdown** and **flexible drawdown**:
 - the **dependant** must agree to be bound by these **terms**;
 - 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;
 - 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;
 - 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;
 - if the **dependant** is a child, payments will usually stop on reaching age 23; and
 - the **dependant** can choose to buy a **lifetime annuity** at any time with part or all of their portion of the fund.

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**, 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 schemes 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**, the **policy provisions** and the **deed poll 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 we are unable to realise or transfer all or any of the **investments** of **your SIPP**, or are 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 we are able to realise the relevant **investments** (or able to do so on what we consider to be reasonable terms) and have 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 we have been unable to realise an **investment**, or have been unable to realise it on reasonable terms, we may, if we so choose:
- 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 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 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 paragraph 19.2b or 19c 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 (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 in the purchase of a lifetime annuity in relation to you;
- c. any administration costs incurred by us 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 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 become responsible for as described in paragraph 19; and
- i. any administrative costs incurred by us (including legal expenses, disbursements or other costs) in complying with any court orders served on us 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 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:
- overdraw the SIPP bank account;
 - and/or dispose of investments in accordance with our order of disposal policy in order to pay the amounts due;
 - require you to pay us the amounts due; or
 - a combination of these in order to pay 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:
- telephone you at any time to discuss your SIPP without having been expressly invited by you to do so;
 - in good faith rely on any communication which we reasonably believe to have been issued by you or your agent;
 - rely upon any information provided by you in accordance with these terms;
 - require you to make an instruction to us in writing before acting upon it;
 - 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;
 - 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 The **scheme administrator** 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 the **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 Annuities 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 We are covered by the FSCS . This paragraph sets out our understanding of the level of compensation available to you should we 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 90% of the value of your SIPP.
- 25.3 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.
- 25.4 In the event that a provider of an underlying investment, other than an insurance company, 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.
- 25.5 In the event that an insurance company provider of a trustee investment plan or similar product fails then no claim can be made under the FSCS.
- 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 investment rights or powers;
 - iv HMRC declining or ceasing to treat the issue of policies of insurance by **us** as pension business; 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 day's 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 **Suffolk Life** are administering **your SIPP** conflicts of interest may arise between **you Suffolk Life**, its employees or **our** associated companies. A conflict of interest is where **Suffolk Life's** duties to **you** as **our** customer may conflict with what is best for **Suffolk Life** or other customers. To ensure that **we** treat customers consistently and fairly, **Suffolk Life** has 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.

Contact us

Suffolk Life

153 Princes Street

Ipswich

IP1 1QJ

Tel: 0870 414 7000

Fax: 0870 414 8000

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 Annuities Limited is the provider and operator of the Suffolk Life Self-Invested Personal Pension.

Suffolk Life Pensions Limited has been appointed by Suffolk Life Annuities Limited to be the scheme administrator and carry out the administration of the scheme.

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

Tel: 0870 414 7000 Fax: 0870 414 8000

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