

# 2012 Schedule of Fees

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
- » Your Personal Illustration
- » Schedule of Fees**
- » Schedule of Allowable Investments
- » Terms and Conditions
- » Policy Provisions

This document helps you understand the fees for administering a Suffolk Life SIPP. It also provides you with a comprehensive guide to all transaction costs, and answers frequently asked questions about our charges.

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

### Example scenario – annual administration and investment

The adviser has chosen to use an investment manager that is an e-investment affiliate (see glossary on page 6 and FAQ 8 for more information on e-investment affiliates) to benefit from nil Suffolk Life transaction fees. However, depending on the investment manager and what assets the SIPP invests in, additional charges may apply. For example, discretionary investment managers will typically charge an annual fee and funds would typically be subject to an annual management charge.

### What would the costs for this be?

<b>Ongoing charges*</b>	
Suffolk Life SIPP annual administration fee (taken in advance)	£500
Investment dealing charges (with an e-investment affiliate)	Nil
<b>TOTAL per annum</b>	<b>£500</b>

### Example scenario – taking benefits

After several years, the above client decides to start drawing benefits from his Suffolk Life SIPP. He decides to take his maximum allowed tax-free pension commencement lump sum along with maximum permitted income under capped drawdown, paid monthly. Should the client decide to stop drawing income, the annual income charge will no longer apply for future pension years until income recommences.

### What would the costs for this be?

<b>Taking benefits from the Suffolk Life SIPP</b>	
To crystallise (initiate benefits)	£155
<b>TOTAL</b>	<b>£155</b>
<b>Total ongoing charges in retirement*</b>	
Suffolk Life SIPP annual administration fee (taken in advance)	£500
Annual income charge (taken in advance)	£155
<b>TOTAL per annum</b>	<b>£655</b>
Income limit review fee (minimum every three years prior to age 75 and annually thereafter)	£155

### Example scenario – moving into property

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

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

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

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

### What would the costs for this be?

<b>Acquiring the property</b>	
Suffolk Life SIPP disinvestment dealing charges	Nil
Handling the purchase (estimate)	£1,800
<b>TOTAL</b>	<b>£1,800</b>
<b>New total ongoing charges in retirement*</b>	
Suffolk Life SIPP annual administration fee (taken in advance)	£500
Annual income charge (taken in advance)	£155
Property facility fee (taken in advance)	£100
Property management fee (estimate)	£700
<b>TOTAL per annum</b>	<b>£1,455</b>
Income review fee (minimum every three years prior to age 75 and annually thereafter)	£155
Property acquisition and management fees are principally time-cost estimated.	

\*All fees are subject to change - see FAQ 17 for details.

# Detailed Schedule of Fees 2012 for the Suffolk Life SIPP

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

	Fee	When is the fee taken?
<b>Annual fees (FAQs 1 and 17)</b>		
» annual administration charge	£500	in advance
» to prepare reconciled annual statement	included in annual fee	
» preparing and sending unreconciled statements of assets and liabilities	included in annual fee	

## Transfers in – per transfer payment per plan (FAQs 3-5 and 17)

» in cash (where your adviser provides a completed transfer discharge form and chases the transferring scheme to the point of transfer or where <b>Origo's Options</b> service is used)	nil	
» other cash transfers in (each transfer)	£75 (max £300 per plan)	upon completion of the transaction
» <i>in specie</i> - basic fee	£100	upon completion of the transaction
associated transaction fees:		
- with transfers to an investment manager or fund supermarket account	additional £0	upon completion of the transaction
- where investments to be held direct with the fund provider	additional £25 per holding	upon completion of the transaction
- where deeds of assignment are needed	additional £25 per deed	upon completion of the transaction
- where application forms and additional documentation from fund providers are needed	additional £25 per document	upon completion of the transaction
	max <i>in specie</i> transfer fee £300 (per transfer)	

## Transfers out – per transfer per plan (FAQs 6 and 17)

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

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

# Detailed Schedule of Fees 2012 for the Suffolk Life SIPP (continued)

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

	Fee	When is the fee taken?
<b>Contributions and connected party transactions (FAQs 2 and 17)</b>		
» single contributions after establishment and variations to regular contributions	in Sterling £25 in Euros or US Dollars £100	upon completion of the transaction
» refund of contribution (where allowed)	£25	upon completion of the transaction
» connected party transaction - streamlined and stockbroker (or investment manager) transactions (stockbroker fees will still apply)	£75 per holding	upon completion of the transaction
» connected party transaction - manual transactions	principally time cost estimated at around £250 plus £25 per holding	upon completion of the transaction

## Investing in property (FAQs 11-14 and 17)

» annual property facility fee (per pension plan per property)	£100	in advance
» purchase/transfer <i>in specie</i> acquisition fee	principally time cost estimated at around £1,700 to £1,900	upon completion of the transaction
» annual property accounting fee (FAQ 13) (only for properties partly owned by Suffolk Life)	principally time cost estimated at around £600	in arrears
» annual property management fee (FAQ 12) (only for properties wholly owned by Suffolk Life)	principally time cost estimated at around £700	in arrears
» additional annual fee for VAT elected properties (per property)	£150	in advance
» sale or disposal	principally time cost estimated at around £600 to £800	upon completion of the transaction
» variation of proportion of property ownership	principally time cost estimated at around £500 to £700	upon completion of the transaction

## Other investments (FAQs 8-10 and 17)

» investments made through an e-investment affiliate	nil	
» investments made through an investment manager, broker or platform provider that is not an e-investment affiliate	£25	upon completion of the transaction
» investments held direct with: - a UK fund provider - an offshore fund	£25 £75	upon completion of the transaction
» establish or process transaction on an alternative deposit account (including fixed term deposit accounts)	£25 streamlined £75 others	upon completion of the transaction

## Other costs (including banking/borrowing) (FAQs 14 and 17)

» day to day debits and credits (including BACS and cheque payments)	nil	
» CHAPS payments	The prevailing rate as charged by the Bank of Scotland, currently £12	upon completion of the transaction
» establishment, variation, reduction or repayment of loan facility	time-cost	upon completion of the transaction
» annual borrowing facility fee per plan	£100	in advance
» to prepare additional reconciled valuation	time cost min £100	upon completion of the transaction

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

# Detailed Schedule of Fees 2012 for the Suffolk Life SIPP (continued)

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

	Fee	When is the fee taken?
<b>Benefits and payments (FAQs 5, 7 and 17)</b>		
» establishment of each drawdown designation (per sub-plan) » the lifetime allowance test at age 75 » switching capped drawdown plans to a flexible drawdown arrangement	£155 per event	upon completion of the transaction
» annual income facility fee where income is taken	£155 (per sub-plan or £310 maximum)	in advance
» review of income limits for a capped drawdown plan (carried out at least every three years prior to age 75 and annually thereafter)	£155 (per sub-plan)	upon completion of the transaction
» annuity purchase or processing of a death or terminal illness payment	nil	
» payment of the total remaining fund as pension income through flexible drawdown	£300	upon completion of the transaction

## How does VAT apply to fees?

All of our above fees are currently exempt from VAT as the Suffolk Life SIPP is an insurance contract.

## Frequently Asked Questions about Fees

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

### Pension administration

#### 1. What is the annual fee for?

The annual fee includes the preparation of the reconciled annual statement, regular reconciliations during the year and fulfilling all regulatory requirements including all general communications. Where appropriate, the annual fee also covers any requests to transfer out (subject to conditions) or to facilitate annuity purchase, and processing a death claim.

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

#### 2. How do the fees for contributions work?

For all existing SIPPs, a fee will be applied to additional single contributions as well as any changes to existing regular contributions in place via Direct Debit or standing order.

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

If Origo's Options service is used or the adviser presents correctly completed discharge forms and is prepared to chase the old pension scheme up to the point of the transfer being executed, no transfer fee will apply.

Alternatively if we arrange it we will charge £75 per transfer, and if handling multiple scheme transfers at the same time, this fee will be capped at £300.

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

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

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

A transfer of crystallised and uncrystallised benefits from the same pension scheme will attract only one transfer in fee (if applicable). For each separate crystallised element of the transfer, a sub-plan will be established and each will attract the drawdown designation fee (a maximum of £310 per transfer). In addition, annual income fees will be applicable for each sub-plan where income is being taken (subject to a maximum of £310 per plan).

#### 6. Do you charge for transfers out?

We do not charge for transfers out that consist solely of cash to a UK pension scheme (a transfer to an overseas pension scheme is chargeable as a crystallisation event). However we do charge transaction fees to disinvest assets to cash and to complete additional documentation to re-register assets. No fees will be refunded in part or full when a transfer out is initiated where that fee has already been charged. This includes but is not limited to annual, borrowing, property and income facility fees.

Dividends and other monies may still be received by Suffolk Life following the transfer out and subsequent closure of the SIPP. These will be amalgamated over a period of 6 months and forwarded to the receiving scheme less our fee. Should the fee exceed the value of the funds received, no transfer will be made and Suffolk Life will retain the funds.

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

## Crystallisation and income withdrawal

### 7. What are your charges for going into drawdown for?

The drawdown designation fee covers the work required to reconcile and revalue the SIPP in accordance with legislation and then pay any lump sums payments due. A drawdown designation fee will be charged for each designation to either capped or flexible drawdown.

If you choose to take income, an annual income facility fee of £155 will then be charged for each sub-plan from which income is taken in any year. This fee is capped at £310. This covers the administration of PAYE payroll, deduction of tax if required and making the appropriate returns to HMRC. Also included is the facility to vary the level and frequency of income payments.

The review of income limits (per crystallised sub plan) will be conducted every three years, as a minimum, prior to age 75 and annually thereafter. The review fee covers the work required to reconcile and revalue the SIPP and calculate the maximum income in accordance with legislation.

Protected rights can not be used for flexible drawdown.

You cannot choose capped drawdown from protected rights benefits and flexible drawdown from non-protected rights benefits that are held within the same plan.

A fee will be charged if the whole fund is taken as pension income through flexible drawdown. This fee covers the reconciliation and revaluation of the SIPP.

## Investment related fees

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

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

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

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

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

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

## Property fees

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

Our fee is principally time based reflecting time expended and the degree of responsibility involved.

We will usually instruct the solicitor and valuer of your choice, giving you the opportunity to negotiate rates with them. Their fees, together with all disbursements relating to the acquisition, sale or management of any property, are payable from your SIPP.

The property facility fee reduces dependent on the on the number of investors in the property. If 1 - 5 investors hold the property there is a fee of £100 plus VAT, 6 - 20 there is a fee of £50 plus VAT and 21+ the fee drops to £25 plus VAT.

### 12. What do you do for your property management fee?

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

### 13. What do you do for your property accounting fee?

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

The fee covers:

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

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

## Borrowing

### 14. What are the fees if my SIPP borrows money?

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

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

## General

### 15. Do you charge interest on overdue fees?

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

### 16. When are fees due?

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

#### Payable in advance

Annual fees are paid from your SIPP in advance on each anniversary of your plan.

The income facility fee, property facility fee and borrowing facility fee when applicable are payable in advance. The first property facility fee is charged from the time it becomes payable to the next anniversary on a pro rata basis.

#### Payable in arrears

The property management fee and property accountancy fee are taken in arrears.

All other fees quoted are paid from your SIPP on completion of each transaction.

### 17. Do your fees increase?

We may increase fees annually in line with the increase in the monthly Average Weekly Earnings index (AWE) over the previous year rounded to the nearest £5. The AWE has replaced the National Average Earnings Index which we previously used to increase our fees. If the AWE ceases to be published or if the calculation of the AWE is altered we may substitute a comparable index.

We will only increase our fees in excess of AWE to make reasonable changes for fair and valid reasons, as follows:

- 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;
- 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
- 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 by an amount materially exceeding the percentage increase in AWE we will give you 90 day's written notice. Should you find the increase unacceptable you will be able to transfer your SIPP to another pension scheme in accordance with paragraph 26.3 of the Terms and Conditions as if the increase were a change in a term.

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

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

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

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

### 19. Additional fees

We reserve the right to charge for additional services on a time-cost basis relevant to the expertise and seniority of our staff involved. We will either provide an estimate of the charge or the basis on which it will be calculated for your acceptance before the work is carried out.

### 20. Is there anything else I should know?

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

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

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

## Glossary and Explanation of terms

<b>Administration</b>	The process of looking after the SIPP on an ongoing basis. This includes but is not limited to many things such as providing a reconciled annual statement, setting up any initial regular contributions and reclaiming tax where appropriate.
<b>Benefit Crystallisation event (BCE)</b>	Where a fund or a portion of the fund is tested against the lifetime allowance.
<b>Connected party transaction</b>	The process by which the SIPP plan can purchase or sell assets directly from or to the individual or certain other parties.
<b>Crystallisation</b>	Where a BCE event has occurred, for example, the taking of benefits (tax-free pension commencement lump sum and/or income) from the SIPP.
<b>e-investment affiliate</b>	A company with whom we're able to exchange information electronically, cutting out the need to manually handle paper.
<b>In specie</b>	The transfer of an asset other than cash from one pension provider to another.
<b>Investment firm</b>	A firm appointed by you to manage the investments within the SIPP on your behalf to carry out your investment instructions.
<b>Lifetime annuity</b>	A policy issued by an insurance company which provides a guaranteed income for life in exchange for a lump sum (your accumulated SIPP fund).
<b>OEIC</b>	Open ended investment company, also known as a 'collective' investment.
<b>Offshore investment</b>	An investment which is not a UK investment.
<b>Origo's Options</b>	A secure web-based tool that facilitates the exchange of information between providers that has introduced efficiencies into the transfer process.
<b>Tax reclaim</b>	In most cases pension contributions receive tax relief and we reclaim basic rate tax from HM Revenue and Customs for each of your contributions to your pension. This is added to your fund.
<b>TIP</b>	Trustee investment plan.
<b>Transfer in</b>	Transferring the value of pension benefits from an existing pension scheme to your SIPP either in cash or <i>in specie</i> (see above).

[www.suffolklife.co.uk](http://www.suffolklife.co.uk)

Suffolk Life is the trading name of Suffolk Life Annuities Limited (registered in England and Wales number 1011674) and Suffolk Life Pensions Limited (registered in England and Wales number 1180742).

Both companies are authorised and regulated by the Financial Services Authority.

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

Suffolk Life Pensions Limited is the scheme administrator of the Suffolk Life Self-Invested Personal Pension.

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