



The Xafinity Self Invested Personal Pension (SIPP) and SimplySIPP

Key Information About Transferring Into Your SIPP



If you require this document in another format for ease of reading, please let us know.

This document has been written for The Xafinity SIPP and SimplySIPP. However, if you have a Xafinity Self Invested Personal Pension Plan it is still correct in its technical content but there are some minor differences.

You can find out what SIPP you hold by looking at your Policy Number and the table below explains the differences to consider when reading this document.

Policy Number	SIPP Name	Differences in this guide
1nnnnn (6 digits starting '1')	The Xafinity SIPP, and SimplySIPP	None
5nnnn (5 digits starting '5')	Xafinity Self Invested Personal Pension Plan	<ul style="list-style-type: none"> • The SIPP is not Defaqto rated; and • The SIPP Provider is Bank of Scotland

Important

This document gives you important information about Xafinity's approach to transfers into our Self Invested Personal Pension (SIPP); both Xafinity SIPP and SimplySIPP.

Xafinity Approach

- There are many issues to consider before deciding to proceed with a transfer between pension schemes, as we explain below. Failing to obtain advice can lead to you suffering financial loss which could be significant in both monetary terms and its effect on other aspects of your financial planning.
- We will **not** accept a transfer unless you have obtained advice beforehand, with two exceptions:
 1. You have less than two years service in your previous scheme; and
 2. You only have the option of a refund or a transfer to another scheme.
- Most financial advisers should be qualified to advise on transfers between Personal Pensions and SIPPs however some may not have the more advanced qualifications required to advise on transfers from occupational schemes or Section 32 arrangements.
- If you do not have an adviser, or your adviser is not qualified to provide such advice, you should refer to an appropriately qualified adviser. To make this easier for you we have developed a referral process with an independent pension transfer specialist Juniper Pensions (juniperpensions.co.uk; 01903 237116; Juniper Pensions and Investment Specialists Ltd, Abbey House, Railway Approach, Worthing BN11 1UR). This is explained in more detail below.

I just want to move my pension funds out of my SSAS into a SIPP – so why do I need advice?

- Pensions are not straightforward, and before you make a major decision you need to make sure it will be the best choice for you. Any decision to move pension funds out of an occupational scheme (which includes Small Self-Administered Schemes and Executive Pension Plans) is classed as a pension transfer. Due to the complex and changing nature of pensions legislation there can be pros and cons and the advice process identifies what those might be for each individual. Failing to identify and consider these issues can lead to serious financial loss.

What are the issues with transfers into any SIPP?

- The Financial Services Authority (FSA) is concerned about transfers for two main reasons:
 1. Transfers can be costly as a result of charges; and
 2. Pensions are very complex financial products and could lead to you being disadvantaged.
- To use the FSA's own words "the initial presumption with any pension transfer is that it is not suitable".
- An adviser will explain the financial significance of the transfer and give you an assessment of whether the transfer is appropriate for you. This will allow you to make an informed decision. However, if you don't have an adviser, there is a real risk that your decision could lead to financial loss.
- We set out below examples of some of the issues that can arise, to illustrate why advice is necessary. This isn't an exhaustive list and is not a checklist against which you could assess the position for yourself with a view to achieving an 'execution only' transfer.

Transfers from Final Salary Schemes

- Benefits under the scheme can include valuable guarantees and features which would be lost on transfer.
- The annual pension is guaranteed, regardless of its cost at the time of payment. On transfer this guarantee is lost and the eventual benefits will depend on the investment growth of the fund and the cost of pensions at that time. This may lead to a lower benefit than if the transfer had not been made.
- Annual pensions benefit may have guaranteed and / or discretionary benefits which would be lost on transfer. For the reasons noted above this could result in a loss of benefits on transfer.

Transfers from Money Purchase Schemes

- The fund may be converted to pension at retirement using guaranteed annuity rates. On transfer the guarantee would be lost with the result that at retirement annuity rates may be more expensive leading to a lower pension.
- The transfer could involve charges levied by the provider of the money purchase scheme which may not be recouped by growth in the new scheme.

Transfers from all schemes

- “Pensions Simplification” came into operation from 6 April 2006. One of the effects of this change was to revise the maximum benefits that you can take from a scheme at retirement. In certain circumstances it is possible that the maximum benefits prior to this would be higher than those allowable under the new regime.
- It is possible to maintain (or “protect”) these higher benefits subject to certain conditions being met. In some cases a transfer can invalidate these conditions leading to a loss of “protection” in which case the benefits would be lower than if the transfer had not happened. This can apply to tax free cash and also to the overall benefit package available from a scheme.

In-Specie Transfers

- From 6 April 2006 certain investments, which were perfectly acceptable before that date, can lead to charges being levied on the scheme by Her Majesty’s Revenue and Customs (HMRC) as a result of “Pensions Simplification”.

To avoid any scheme which held such assets on 6 April 2006 being disadvantaged by these changes, it is possible to retain these assets without incurring these charges provided certain conditions are met. Transferring these assets ‘in-specie’ to another scheme would lead to charges being levied on the receiving scheme.

Charges / Benefit Flexibility

- It is possible that the charges and/or benefit structure under the receiving scheme are more expensive or more restrictive with the result that you are disadvantaged as a result of the transfer.

Juniper Pensions

- Before you transfer your pension assets from one scheme to another, we need to ensure that you fully understand what it entails and the potential consequences. This is why we suggest you use Juniper to guide you through the process and give you independent advice on whether transferring is right for you.
- Juniper are pension transfer specialists and are highly qualified and experienced in this technical and specialised field. As independent financial advisers they are well placed to advise you on your options and make the necessary arrangements on your behalf.
- They will need information about you, your circumstances and your objectives, and will ask you to complete some questionnaires, and may also telephone to discuss it with you. Once they have the information about you and about your existing schemes they will prepare a detailed report for you, and be in a position to advise you.

Why should I use Juniper?

- Juniper are pension transfer specialists, with the in-depth knowledge and experience to advise on pension transfers. We have selected Juniper from a panel of specialist companies because of their ability to deliver an efficient, professional service to our clients at competitive costs. Juniper are totally independent of Xafinity and will act solely for you in this matter.

What will Juniper do?

- Juniper will send you a Client Agreement with details of the service and fees. They will ask you to complete a personal profile form, which seeks to gather information about you, your circumstances and objectives. They will also obtain information about your existing pension scheme before preparing a detailed Transfer Analysis report. If having considered your options they believe a transfer will be in your best interests they will research and prepare a suitable recommendation for you.

How will Juniper communicate with me?

- Juniper's clients are all around the UK and they are used to working with clients through a combination of post, email and telephone.

How much does it cost?

- Juniper charge a fee for their service and the details are on the Client Agreement. The fees are at a special reduced rate for Xafinity referred clients. There are two parts to the fee – the first for the advice and the second for arranging a transfer. The second part is only charged if a transfer goes ahead.

How can I complain?

- You can complain in writing to the Compliance Officer, Xafinity SIPP Services Ltd, Scotia House, Castle Business Park, Stirling, FK9 4TZ. In addition, you may have the right to complain directly to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Walk, London E14 9SR.

Information for Financial Advisers

- If you are unable to advise on pension transfers yourself then you may wish to consider Juniper's introducer service. This service is available for advisers who cannot, or choose not to, transact pension transfers. Juniper takes full regulatory responsibility for the advice given, and promises not to undertake any other business with a client unless there has been prior agreement with the introducer.
- To set up an introducer agreement with Juniper, contact them on 01903 237116. Please mention that Xafinity referred you to them as we have negotiated favourable fees with Juniper Pensions.

The Process

- If there is a Financial Adviser involved, a Juniper Introducer Agreement should be completed.
- In all cases there will be a client agreement between Juniper and the member. This will be issued direct to the member, and copied to the Financial Adviser if there is one.
- Juniper will then obtain full details and data concerning the member. This would normally be via the member's Financial Adviser but can be direct with the member if preferred.
- Juniper will carry out its analysis and provide a report on their conclusions to the member, with a copy to the financial adviser if there is one.
- The Financial Adviser, if there is one, or the member will then advise Juniper of the course of action to be followed. Juniper will then tell Xafinity if the transfer is to proceed.

Contacting Xafinity

SIPP Trustee: Xafinity Pension Trustees Ltd
SIPP Administrator: Xafinity SIPP Services Ltd

SIPP Department
Xafinity SIPP Services Ltd
Scotia House
Castle Business Park
Stirling
FK9 4TZ

www.xafinity.com

Tel: 01786 434213

Email: SIPPTeam@xafinity.com

Xafinity SIPP Services Ltd is authorised and regulated by the Financial Services Authority. Our FSA Registration Number is 461791. You can check this on the FSA's website at www.fsa.gov.uk/register. Xafinity Pension Trustees Ltd (1450089) is registered in England at 27 Kings Road, Reading RG1 3AR. Xafinity SIPP Services Ltd is registered in Scotland (No 69096) and its registered office is at Scotia House, Castle Business Park, Stirling FK9 4TZ.

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