

ii SIPP Key features.

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SIPP Key Features.

What you should know before you apply

Introduction

This document explains the key features of the ii SIPP, which is a part of The Investor SIPP Scheme and is provided by Interactive Investor Services Limited (IISL or we or us).

The ii SIPP is made up of two aspects, a tax-wrapper and an underlying SIPP Investment Account operated by you through our online investment service. This document explains the key matters you should be aware of regarding the way in which the ii SIPP is operated and administered; it should be read in conjunction with the SIPP Operator Terms and Conditions,

The Trust Deed and Rules and the SIPP Investment Terms of Service. You will also find it helpful to refer to the ii SIPP sections of the ii website, www.ii.co.uk.

What is the purpose of this document?

The Financial Conduct Authority (FCA) is a financial services regulator. It requires us to give you this important information as a summary of our SIPP to help you decide whether our SIPP is right for you. You should read this document carefully before deciding whether to invest in our SIPP, and then keep it safe for future reference.

We are the Operator of the ii SIPP and have overall responsibility for the administration and management of the pension scheme, and for the provision of the related SIPP account which provides investment and custody services.

We have appointed BW SIPP LLP as the Scheme Practitioner, responsible for the day to day administration of the ii SIPP.

Investor SIPP Trustees Limited is the Trustee of the Scheme.

Your SIPP investments will be held in our nominee accounts. The nominee accounts are managed by us in accordance with the regulations applied by the Financial Conduct Authority (FCA).

Full details of the terms on which the ii SIPP tax-wrapper is provided are contained in the SIPP Operator Terms and Conditions, which you should read before you take out your SIPP. Separate SIPP Investment Terms of Service govern the operation of your SIPP Investment Account with us, which includes us and our dealing and custody services.

Both documents should be read in conjunction with your application and the ii Rates and Charges which are shown on our website.

Technical terms and phrases used in this document are explained in the glossary at the back of this document.

We strongly recommend that, if in doubt as to the suitability of our SIPP, you seek financial advice before you apply.

This document is based on our interpretation of current legislation and HM Revenue & Customs (HMRC) practice, which may change in the future.

What is a SIPP?

A SIPP (self-invested personal pension scheme) is a type of pension plan that allows you to direct how your pension monies are invested. You are responsible for the selection and management of the underlying investments.

A SIPP also gives you flexibility (as allowed by current legislation) on how and when you take your retirement benefits.

What is the ii SIPP?

Our SIPP is a self-invested personal pension. It is established under The Investor SIPP Scheme (the Scheme), a registered pension scheme and is governed by a Trust Deed and Rules, a copy of which is available from us on request.

We are the Operator and administrator of the Scheme and are authorised and regulated by the FCA.

We also provide the SIPP Investment Account and the services relating to managing the investments that you wish to have in your SIPP, including safe custody of those assets, dealing and investment administration.

Investor SIPP Trustees Limited is the Trustee of the Scheme. It is a non-trading company and is a bare Trustee. This means that its sole purpose is to hold the Scheme assets for the benefit of you and all the other members. The Trustee is not regulated by the FCA.

The ii SIPP aims

Our SIPP is intended to:

- Offer you a tax-efficient and flexible way of saving and investing for retirement;
- Enable you to make and manage your own choice of investments using the range offered via our SIPP Investment Account;
- Pay benefits to you once you reach the eligible age to do so (currently age 55 and to be age 57 from 2028), or on earlier ill-health or serious ill-health;
- Use any remaining funds on your death to pay benefits to your beneficiaries; and
- Ensure you are treated fairly in all our dealings with you.

Who is the ii SIPP suitable for?

The ii SIPP is aimed at those who have sufficient knowledge and experience of investing to make their own investment decisions and want to actively manage their investments. A SIPP is not suitable for everyone. Other types of pensions may be more appropriate.

Your commitment

You must:

- Ensure that you understand the structure, risks and benefits of the ii SIPP, and review it regularly to ensure that it remains appropriate for your circumstances, including reviewing your contributions and investment performance in the light of your intended retirement plans;
- Make at least one contribution by you, your employers or by transferring from an existing pension arrangement;
- Make and manage your own investment choices. We do not provide advice and the service is provided on an execution only basis;
- Accept and comply with the SIPP Operator Terms and Conditions and the SIPP Investment Terms of Service, as may be amended from time to time;
- Respond promptly to our requests for information, such as when paying contributions, making investments, or accessing/reviewing benefits;
- Notify us of any changes to your personal circumstances which may affect your SIPP;
- Pay all fees as set out in the Rates and Charges and be personally responsible for any charges relating to your SIPP that we cannot deduct from your SIPP or other accounts held with us; and
- Accept that you will not make any unauthorised payments to or from your SIPP.

Risk factors

- The value of your SIPP may go down as well as up and is not guaranteed. Past performance is no indication of future performance;

- At any point, including at the point of accessing benefits and within the cancellation period, the value of your SIPP may be lower than the amount invested;
- The returns on your SIPP from underlying investments may be lower than you anticipate or than shown on any illustration you have received from us;
- The benefits payable are not guaranteed and may be lower than expected if investment returns are poor; if you access benefits earlier than you had expected, if you stop paying regular contributions or if you make insufficient contributions to meet your aims, and will include the deduction of fees and charges;
- If, with our agreement, you transfer funds from another pension scheme to your SIPP, the eventual benefits that you take may not be comparable with those provided by the transferring scheme. We strongly suggest that you take advice from a financial adviser before deciding to make a transfer. Transfers from a 'Defined Benefits' scheme or one with 'safeguarded benefits' valued at £30,000 or more at the time of transfer will only be accepted where you have received independent advice from a qualified adviser confirming that the transfer is in your best interests;
- The charges relating to the operation and administration of your SIPP, or to the investment services provided by us may change in future. You will be notified in advance if there is to be an increase to these charges;
- If there is insufficient cash and investments in your SIPP to meet any charges relating to it, you will be personally liable to meet the shortfall;
- You should carefully consider the tax implications of taking payments from your SIPP. The level of benefits you can take may be lower than expected and may not meet your needs in retirement. You may have to pay a substantial amount of tax if you make large withdrawals in a short period;
- Future changes to pensions and tax legislation may affect the benefits that you can take from your SIPP;
- You will be able to deal in a range of instruments some of which carry a higher degree of risk than others. This includes investments described as 'complex products': if you invest in these you should be aware that you may lose all of the money you have invested in them. Before investing in one of these instruments you will have to successfully complete an appropriateness assessment as required by the FCA; and
- The pension you receive from your SIPP is not fixed nor guaranteed for life. If security of income is important to you then you should consider buying an annuity with your retirement savings.

The above risks are not exhaustive and are based on our understanding of current legislation and rules, which may be subject to change.

Questions and answers

General information about our SIPP

Am I eligible for your SIPP?

All UK residents aged 18 or over at the time of application (including parents or guardians applying on behalf of those aged under 18 where we make this service available) are eligible, regardless of their employment status. Please note our SIPP is not an automatic enrolment scheme.

What can I do with your SIPP?

The ii SIPP is a simple and straightforward SIPP which enables you to choose from the range of SIPP-eligible investments available from us. There are no minimum contribution levels and no requirements for a minimum level of investment. Our SIPP offers the full range of Flexible benefits.

Is your SIPP a stakeholder pension?

No. Stakeholder pensions must meet minimum Government standards covering matters such as contributions and charges and are generally available. A stakeholder pension may meet your needs as well as the ii SIPP and may have lower charges.

How much does it cost?

Fees

Fees are set out in the Rates and Charges shown on our website which you should read carefully.

Deduction of fees and charges in respect of your SIPP

The fees and any other charges arising will be met either from your SIPP investment account, by direct debit from the bank account associated with your ii account, or from another account with us.

How do I apply?

To apply for our SIPP, visit www.ii.co.uk. Alternatively, as an existing customer, simply log-in to your account then add a SIPP.

Do make sure you have also read the SIPP Operator Terms and Conditions, the SIPP Investment Terms of Service and the Rates and Charges before applying.

Can I transfer other pension plan funds to my SIPP?

Yes, with our agreement, you can transfer other pension plan funds to your SIPP.

Transfers must be from a registered pension scheme or a recognised overseas pension scheme (ROPS) and can be made in cash or in specie.

We can only accept a transfer from a defined benefit scheme or from a pension scheme or policy which contains a guaranteed annuity rate (GAR) or other safeguarded benefits with a value of £30,000 or more once you have taken advice from an FCA authorised financial adviser who is appropriately qualified to conduct such transfer business, and he/ she has recommended that the transfer proceeds.

We can accept a transfer of a flexi-access drawdown fund and a capped drawdown fund.

How will you look after my SIPP?

Investor SIPP Trustees Limited is the Trustee of the Scheme. Its sole purpose is to hold the Scheme assets for the benefit of you and all the other members.

We, the Operator, are responsible for administering and running the Scheme on a day-to-day basis.

We are also responsible for providing the SIPP Investment Account and dealing services through which you invest in your SIPP and for the investment administration and safe custody of those assets.

Contributions and tax relief

Who can pay contributions into my SIPP?

You can pay personal contributions into your SIPP, and contributions can also be made by another person on your behalf. This can include your partner, spouse, employer and some other third parties. However, contributions will only be eligible for tax relief as detailed below.

In order to comply with Anti Money Laundering regulations, we may need to verify the identity and source of funds relating to contributions made other than by you.

Is there a minimum amount?

Once initial funds have been added to your SIPP via a contribution or a transfer, there is no minimum additional contribution amount.

How are contributions made?

Regular contributions can be accepted only by direct debit on the date(s) shown on our website: this ensures that we can collect your contributions efficiently and quickly allocate them to your account to be available for investment. The website also shows how one-off contributions can be made: this includes by a debit card or by

transfer from another account that you hold with us.

What tax relief am I entitled to on my contributions?

Tax relief is available on personal contributions if you are a relevant UK individual; that is, someone who is resident in the UK for tax purposes at some point during the tax year, or who otherwise has relevant UK earnings subject to UK income tax.

Employer contributions are typically paid gross, so there is no need for us to claim the tax relief on your behalf.

Once you reach age 75, personal contributions do not qualify for tax relief although employer contributions may continue to qualify.

HMRC sets a limit, known as the annual allowance (AA) on the total of contributions you can make into all your money purchase pensions and receive tax relief. For the current tax year, the Annual Allowance is £60,000: this figure includes basic rate tax relief received on your contributions and applies across all pensions to which you are contributing.

Tax relief can be claimed on personal contributions up to the lower of the AA or 100% of your relevant UK earnings for the tax year. (Any unused AA can currently be carried forward for up to three years.)

Where you do not have any relevant UK earnings or if these are less than £3,600 you can contribute up to the 'basic amount' of £3,600 (gross) for the current tax year and for each subsequent tax year, until the Government notifies otherwise.

Unless we are notified to the contrary, we will assume that all contributions paid by you are eligible for tax relief, and it is your responsibility to let us know if this is incorrect. At our discretion, we may accept contributions that do not qualify for tax relief.

It is your responsibility to monitor whether your total contributions across all personal pensions will exceed the AA. Once you are no longer entitled to tax relief on your contributions, you must tell us within 30 days.

How do I get the tax relief?

Your personal contributions are normally paid net of basic rate tax relief (currently 20%). We will claim any basic rate relief you are entitled to directly from HMRC. Currently, this means that for each net £80 that you personally contribute, we will claim £20 on your behalf and credit this to your SIPP.

If you pay tax at higher than basic rate, you are responsible for claiming any additional tax relief from HMRC via your self assessment tax return. Higher or additional rate tax refunds are paid directly to you and not into your SIPP.

What is the annual allowance?

The Annual Allowance (AA) is the maximum amount of pension savings which you (or someone on your behalf) can make in any tax year without incurring a tax charge. This limit applies to contributions (including any basic rate tax relief) to all money purchase pensions you hold. The current AA is shown on our website.

However, once you take Flexible benefits, the maximum amount you can contribute to your SIPP and to all other money purchase pension schemes is restricted to a lower limit, known as the money purchase annual allowance (money purchase AA). This is £10,000 (gross) for the current tax year and for each subsequent tax year, until the Government notifies otherwise. You can contribute the remaining £50,000 of the overall AA to defined benefit schemes.

Some individuals may be subject to a tapering of the AA in respect of the individual tax years. Please refer to our website for more detail.

What are the Lump Sum Allowance and the Lump Sum and Death Benefit Allowance?

The Lump Sum Allowance (LSA) is the maximum tax-free lump sum you can take from pensions. Any lump sum amount you take over your allowance will be taxed at your marginal rate of income tax. The standard LSA is £268,275. Your allowance may be different if you have already taken pension benefits or hold lifetime allowance protection.

The Lump Sum and Death Benefit Allowance (LSDBA) applies to tax-free lump sums you can take from pensions, as well as tax-free lump sums that can be paid to beneficiaries after your death. It doesn't apply to any benefits you moved into drawdown before 6 April 2024. Any amount over your allowance will be taxed at the recipient's marginal rate of income tax. The standard LSDBA is £1,073,100. Your allowance may be different if you have already taken pension benefits or hold lifetime allowance protection.

What happens if I exceed the annual allowance?

If your total money purchase pension savings in any tax year exceed the AA and you are not able to carry forward sufficient unused AA from the previous three tax years, you will have to pay the AA charge on the excess. The AA charge is not fixed but depends on your taxable earnings and pension savings in excess of the AA. This needs to be declared and paid by submitting a self-assessment tax return to HMRC. You are responsible for this, as you may have multiple pension arrangements.

Banking arrangements

Cash held as part of your iiSIPP assets may be held by us, by the Trustee or by the Scheme Practitioner.

In summary, cash will usually be held predominately in your SIPP Investment Account, and deposited in designated client money accounts, separate from our own assets, as described in the SIPP Investment Account Terms of Service.

Where you have instructed that cash is transferred between your ii SIPP and another pension provider, or it is being held by the Scheme Practitioner, for example when making income payments to you or processing income tax relief from HMRC, it is held in the Scheme Practitioner's designated client money bank accounts, as described in the SIPP Operator Terms and Conditions.

Cash contributions paid into your ii SIPP will initially be held by the Trustee, prior to being transferred to your ii SIPP Investment Account. This cash is not client money but is pooled with other contributions and held on trust in accordance with the Trust Deed and Rules.

Investments

What can I invest in?

You can choose from the range of SIPP-eligible investments available from us, as shown on our website and in the SIPP Investment Terms of Service.

How are the investments taxed?

Currently, investments grow free of UK capital gains tax and income is paid free of UK income tax. Investment income within your SIPP does not count as part of your annual dividend allowance. Please note that the taxation treatment may change.

How will I know how my SIPP is performing?

You will be able to monitor the day to day value of your SIPP via your online account. In addition, we will issue you with a yearly statement showing the value of your SIPP, together with an updated projection of your benefits, based on a given set of assumptions. This is provided for guidance purposes only and there is no guarantee that your SIPP will be able to provide the illustrated figures.

We do not accept responsibility for the performance of your selected investments, or for any liabilities which may be associated with them. Neither we, nor the Trustee, will be liable to you for any claims, costs, expenses or losses arising to your SIPP and its underlying investments as a result of any loss incurred on the investments in your SIPP.

Retirement benefits

Do you provide advice on taking my pension benefits?

No, the ii SIPP is an execution-only service and we do not provide advice on taking your pension benefits. Various options are available to you and the Money and Pensions Service (MaPS) can help you decide how best to draw on your pension, based on your circumstances. Alternatively, you should consider taking financial advice. You can also withdraw funds, up to the HMRC limit, from your pension to pay for advice provided by an authorised financial adviser.

When can I take my money out?

You can only normally take benefits once you have reached age 55 (planned to be amended to 57 from 2028), but you may be able to do so earlier on grounds of ill-health or serious ill-health, or if you have a protected pension age.

You do not have to 'retire' in order to start taking your pension benefits but do bear in mind that once you start 'flexibly accessing' your money purchase pension scheme benefits, further contributions across all your money purchase pension scheme arrangements, (excluding any Defined Benefit scheme pension arrangements), will be restricted to the money purchase AA.

What income can I receive?

You do not have to 'retire' in order to take your pension benefits and you have the option to take them in a number of ways. You do not have to choose just one option: you could for example use part of your pension assets to purchase an annuity and use drawdown to top-up that annuity income or to take ad hoc lump sums as and when needed. The Money and Pensions Service (MaPS) can help you decide which option, or combination of options, may suit you best.

The various options available to you are:

Drawdown pension

You can choose to receive income subject to PAYE income tax by drawing pension income from the SIPP Investment Account directly and keeping the rest of your SIPP invested.

If you designate funds into drawdown for the first time on or after 6 April 2015, the funds will be designated into a flexi access drawdown fund. There is no limit on the amount that you can draw each year, and you can take payments as one or more lump sums, or as regular income payments. You can choose to designate new funds into a flexi-access drawdown fund in stages, usually subject to a minimum amount.

You should make sure that you understand how much tax you will have to pay before you decide how much flexi-access drawdown pension to take. If you take several large payments in a short period of time, you may be liable to pay more in income tax.

If you have a capped drawdown fund under another pension scheme, you can choose to transfer this to your SIPP and to continue taking a capped drawdown pension, or to convert this to a flexi-access drawdown fund.

Buying an annuity

You can also choose to receive taxed income by purchasing an annuity or a short-term annuity from a provider on the open market (an open market option), with some or all of the funds in your SIPP. We do not offer an annuity purchase facility but will transfer funds from your SIPP to your chosen provider.

What lump sum payments can I receive?

Pension commencement lump sum

When you designate new funds into a drawdown pension you can usually take a cash lump sum known as a pension commencement lump sum (PCLS). The amount is currently up to 25% of the value of the funds you have designated for payment of the drawdown pension, or which are used to purchase an annuity.

At present, this lump sum is paid tax-free. The maximum that can be withdrawn as Tax-Free Lump Sums will be

limited to the lower of your LSA or LSDBA (usually £268,275, except where protections apply - which can allow entitlement to a higher tax-free amount to be maintained).

You do not need to designate your full fund into drawdown all at once: you can choose only to designate sufficient to realise the PCLS amount you require each time (e.g. to take a PCLS of £10,000 you need only designate £40,000 into drawdown).

However, please note that, currently, if you designate your total fund into drawdown but take less than the maximum amount allowed as a PCLS, you cannot take a further PCLS sum at a later date to bring you up to the maximum PCLS. If, therefore you want to take the maximum PCLS for your full fund you will have to do so in a single payment.

Uncrystallised funds pension lump sum

You can choose to access some or all of the funds in your SIPP by taking an uncrystallised funds pension lump sum (UFPLS).

Usually 25% of the UFPLS will be tax-free, with the remainder taxable as pension income at your marginal tax rate.

You must have sufficient LSA and LSDBA available to cover the amount of the UFPLS being taken. You can take a single or series of UFPLS in this way, although you should consider the amount of tax that will be payable if you take payments in this way.

What benefits might I receive?

The benefits that you might receive depend on the value of the investments in your SIPP when you take those benefits. The rate of income available from an annuity or that you might take by withdrawing sums from your SIPP using a drawdown arrangement will depend on a number of factors, including some or all of the following: your age, health and lifestyle, form of pension, any spouse's or beneficiary's provision, and underlying investment yields.

Death benefits

What happens to my SIPP when I die?

We will decide who to pay your benefits to and how much each person should receive. We will take account of any beneficiaries you nominate in your 'expression of wishes', but this is not binding on us. Payment of benefits will be made at our discretion, and in line with the Trust Deed and Rules. This is so that your beneficiaries do not end up paying inheritance tax on the death benefits they receive.

Beneficiaries do not have to be dependants. You can also nominate trusts and charities, not just individuals.

Death benefits can be paid as a cash lump sum, as income through a nominee's flexi-access drawdown fund or a dependant's flexi-access drawdown fund or can be used to purchase an annuity.

The tax treatment of death benefits depends on whether you die before or after age 75. Please refer to the SIPP Operator Terms and Conditions for more details.

Cancellation

Can I change my mind?

Once we accept your application, we will provide you with a cancellation notice. You will then have 30 days from the date you receive the cancellation notice to cancel your SIPP. You must confirm to us your cancellation request by responding via our website.

If you cancel your SIPP within the first 30 days, the amount you will receive back depends on the type of payment made:

- If you have made a cash contribution that has not been invested, the value of your contribution will be returned to you without any interest;
- If you have made an investment, you will receive back the value of the underlying investment at that time, which may be more or less than the initial amount that you invested; and
- If you cancel a transfer, the cash sum transferred and the underlying investments, where applicable and accepted by to the transferring scheme, will be returned. As a result of market movements, the value of investments may be lower than the value when originally transferred to your SIPP. If the transferring scheme refuses to accept the returned transfer payment, you must select an alternative pension scheme to which the transfer payment can be paid.

After the first 30 days, cancellation rights will also apply to any additional transfers.

However, if you want to make a transfer to your SIPP from a defined benefit scheme or a pension scheme or policy that contains a GAR or other safeguarded benefits either within the first 30 days or subsequently, we will not normally request the transfer until the 30 days 'right to withdraw' period has expired, unless you choose to indemnify us and have confirmed this by signing and returning our standard form.

Cancellation rights also apply to every crystallisation into drawdown pension or payment of UFPLS. If you decide to cancel, you must return any income and/or lump sum to us within 30 days from the date you receive the cancellation notice.

You will not be entitled to a further cancellation period in relation to additional contributions made to your SIPP after the first 30 days following its establishment.

Other information

Law

The Trust Deed and Rules are written under English law.

Your SIPP will therefore be governed by English law, and all communications in relation to it will be in English.

Can you provide me with advice?

No. Neither we nor the Trustee can provide you with any legal, financial, investment, tax or any other advice concerning your SIPP or any underlying investments or decisions associated with it.

We therefore strongly recommend that you seek financial advice in connection with your SIPP. If you do not have an existing adviser, you can find advisers in your area at www.moneyhelper.org.uk/retirement-adviser-directory.

The Money and Pensions Service (MaPS) can give guidance to help you understand what you can do with your pension pot.

You can also withdraw funds from your SIPP, or other pensions, up to the HMRC limit, in order to pay for advice. In some circumstances, the amount that can be paid from your SIPP for advice is limited to HMRC's Pension Advice Allowance.

What do I do if I have a complaint?

We hope you never have to complain but if you are unhappy with the service please contact us in the first instance, in writing, by email or by telephone. If you are not satisfied with the response, you can refer your complaint to the Financial Ombudsman Service or the Pensions Ombudsman.

How are assets in my SIPP protected?

Cash and stock held in the ii SIPP is covered by the Financial Services Compensation Scheme (FSCS), as detailed in the SIPP Investment Terms of Service.

Who regulates the Scheme?

The Scheme is operated by IISL which is authorised and regulated by the FCA, registration number 458323. Our permitted business includes the operation and administration of the Scheme.

You can check the FCA's register by visiting the FCA's website or by contacting the FCA directly. Please refer to the glossary for the contact details of the FCA.

Ownership

Interactive Investor Services Limited

(company number 2101863).

Investor SIPP Trustees Limited (company number 10670459) is a subsidiary of Interactive Investor Limited.

How to contact us

All contact should be made to us.

Address: Interactive Investor Services Limited
2nd floor
One Embankment
Neville Street
Leeds
LS1 4DW

Website: www.ii.co.uk

Email: Interactivehelp@ii.co.uk

Helpline: 0345 607 6001

Glossary

Please note that the information contained in this document is based on our interpretation of current legislation and HM Revenue & Customs (HMRC) practice, which may change in the future.

Adjusted income	An annual monetary amount that determines whether an individual will be subject to a tapering of their AA for a particular tax year. Broadly, the amount is calculated by adding the individual's total income from all sources to their pension contributions during a tax year. (See also Threshold income.)
Annual allowance (AA) (see also Money purchase annual allowance)	The maximum amount that you can pay to all your registered pension schemes in a pension input period (PIP) and gain tax relief. If the AA is exceeded, you may have to pay HMRC a tax charge on the excess (the AA charge). The AA is £60,000 for the current tax year and from then on until the Government notifies otherwise. However, if you trigger the money purchase AA, the amount you can contribute to money purchase pension schemes each tax year is restricted to £10,000 (gross) for the current tax year and from then on until the Government notifies otherwise. You can contribute the remaining £50,000 of the AA to defined benefit schemes. Your Annual Allowance is reduced by £1 for every £2 your 'adjusted income' exceeds £260,000, to a minimum of £10,000 (i.e. when your adjusted income reaches £360,000 the maximum reduction of £50,000 would apply). Adjusted income includes employer pension contributions, salary, pension receipts, interest, dividends and most other sources of income.
Annual allowance charge (AA charge)	If the overall AA or the money purchase AA is exceeded, you may have to pay HMRC a tax charge on the excess. This is calculated by the chargeable amount being added to your taxable income for the relevant tax year, and tax then being charged at your marginal rate. The Annual Allowance charge can be accounted for in your tax return, or you can ask for it to be paid directly to HMRC from your SIPP.
Annuity	An annuity contract purchased from an annuity provider of your choice that provides you with an income for life in exchange for all or part of your SIPP funds and/or funds from other registered pension schemes. (See also short-term annuity.)
Arm's Length	The condition or fact that the parties to a transaction are independent and on an equal footing, or act as they would if they were independent buyers and sellers with no shared interest. The concept of an arm's length transaction is to ensure that both parties in the deal are acting in their own self-interest and are not subject to any pressure or duress from the other party.
Beneficiary / Beneficiaries	As the member, you are the beneficiary of your SIPP until your death. After your death, the beneficiaries are the persons or entities who will receive benefits from your SIPP and/or other registered pension. Beneficiaries can include your dependants and persons or entities other than your dependants (including nominees and other beneficiaries) whom you nominate to receive benefits from your SIPP on your prior death.
Benefit Crystallisation Event	A Benefit Crystallisation Event (BCE) occurred when uncrystallised SIPP funds were used to provide pension benefits between 6 April 2006 and 5 April 2024. When a BCE occurred, the value of the benefits being taken (Crystallised) were tested against the Lifetime Allowance (LTA). From 6 April 2024 Relevant Benefit Crystallisation Events (RBCE) replaced BCEs.
Business Day	Any day other than a Saturday, a Sunday or a day which is a public holiday in England.

Capped drawdown fund	An arrangement established before 6 April 2015 to pay income from a self-invested personal pension scheme (SIPP), which is subject to the maximum income limit.
Capped drawdown pension	Pension income paid from a Capped drawdown fund.
Career Average Revalued Earnings Scheme (CARE scheme)	A type of Defined Benefit Scheme offered by employers. Benefits at retirement are based on average revalued earnings over the employee's whole period of membership.
Carry forward	<p>HMRC allows an individual to apply any unused AA from the previous three tax years by carrying it forward for use in the current tax year, provided they were a member of a Registered Pension Scheme during those tax years. Carry Forward is not available for Money Purchase Pension Schemes if you trigger the MPAA. To make contributions using carry forward you still need to have sufficient Relevant UK Earnings in the current tax year. Earnings from previous tax years cannot be carried forward.</p> <p>If you are subject to a Tapered Annual Allowance, the amount you can carry forward will be limited to any unused allowance from within your Tapered Annual Allowance.</p>
Client accounts	Common bank accounts in our name with our chosen bank, which are used collectively for all Scheme members. There are different client accounts for different types of payment, such as making contributions and transfer payments in, buying and selling investments, making Drawdown pension payments to members, collecting rental income and making payments to HMRC.
Client money account	A common bank account in our name with our chosen bank, which is used collectively for all Scheme members and in which cash is held as client money in accordance with FCA requirements.
Connected/Party/ Parties	<p>Connected parties are certain relatives, trustees, partners and companies</p> <p>A person is connected to an individual if that person is the individual's spouse or civil partner, a relative of the individual, the spouse or civil partner of a relative of the individual, a relative of the individual's spouse or civil partner, or the spouse or civil partner of a relative of the individual's spouse or civil partner.</p> <p>Relative is defined as brother, sister, ancestor or lineal descendant. Relative does not cover all relationships, in particular nephews, nieces, uncles and aunts.</p> <p>A company is connected with another person if that person has control of the company or that person and persons connected with him/ her together have control of the company. In this context it means a person (and those connected with that person) being able to directly or indirectly control the affairs of a company. In practice, this is usually likely to mean the individual or persons connected with that individual holding more than 50% of the voting rights of a company, although the definition of control is wide ranging and can extend beyond this.</p> <p>A person is connected to any person he/she is in partnership with, and the spouse or civil partner of any person he/she is in partnership with, and a relative of any person he/she is in partnership with.</p> <p>Where a transaction takes place between your SIPP and a connected party, it must be made on Arm's Length terms.</p>
Contributions	Money paid into the SIPP by a Member, employer or third party.

Crystallisation/ Crystallised	<p>Pension benefits are crystallised when benefits are taken by moving funds into drawdown, buying an annuity, or taking certain lump sums.</p> <p>Between 6 April 2006 and 5 April 2024, these events were treated as Benefit Crystallisation Events (BCE). From 6 April 2024, this is replaced by Relevant Benefit Crystallisation Events (RBCE), which only occur when a lump sum is tested against the Lump Sum Allowance (LSA) or Lump Sum and Death Benefit Allowance (LSDBA).</p> <p>Pension benefits in a drawdown pension fund are also sometimes referred to as crystallised benefits.</p>
Data	'Personal Data' as defined in the General Data Protection Regulation (GDPR).
Default Investment Option	An investment or group of investments offered for inclusion in an ii SIPP and designed to meet the needs, objectives and characteristics of a typical non-advised customer within our target market who is at the accumulation stage of retirement planning. This is an initiative from the FCA that aims to support customers that are saving towards retirement and have not received a personal investment recommendation. Our current Default Investment Option is displayed on our Website and may be referred to there by a different name for marketing purposes. However, in accordance with FCA rules, its description will be sufficiently clear to give an indication of the nature of the default option and also to distinguish it from the firm's other offerings.
Defined benefit scheme	An occupational pension scheme established by an employer for its employees' benefits based on a proportion of pensionable salary for each year of pensionable service. Pensionable salary can be salary at retirement (known as 'final salary'), or the employee's average earnings over the whole period of membership of the Scheme (a CARE scheme), or some other formula.
Dependant	<p>Under pension legislation, dependant essentially means the following:</p> <ul style="list-style-type: none"> a your spouse or registered civil partner; b any child of yours who is under 23, or who in our opinion is dependent on you because of physical or mental impairment; or c any other individual who in our opinion was financially dependent on you, or who had a relationship of mutual dependence with you, or who was dependent on you because of physical or mental impairment.
Dependant's flexiaccess drawdown fund	A flexi-access drawdown fund established on the death of a member to enable the payment of pension to a dependant nominated by the member (or, where applicable, by us) before his/her death.
Drawdown pension.	The crystallisation of funds in your SIPP enabling the payment of income directly from your SIPP Drawdown pension can be either capped drawdown pension or flexi-access drawdown pension, as applicable.
Employer Contribution	<p>A Contribution paid into a SIPP by an employer on behalf of a Member and specified as an Employer Contribution.</p> <p>An employer may be able to claim Tax Relief on its Employer Contributions but this will not be added to the Member's SIPP.</p>

Enhanced Protection	<p>Enhanced Protection was a means of protecting pension benefits built up before 6 April 2006 from the Lifetime Allowance charge.</p> <p>From 6 April 2024, Enhanced Protection continues to provide protection, increasing the Lump Sum Allowance (LSA) to £375,000 and the Lump Sum and Death Benefit Allowance (LSDBA) to an amount based on the value of the individual's uncrystallised rights on 5 April 2024.</p> <p>It's no longer possible to apply for Enhanced Protection.</p>
Execution-only	A member who does not have a financial adviser, and makes all decisions relating to his/her SIPP himself/herself, does so on an execution-only basis.
Expression of wishes	A notification by you to us of who you would like any remaining assets in your SIPP to be paid to, on your death.
Financial Conduct Authority (FCA)	<p>The Financial Conduct Authority (formerly the Financial Services Authority or FSA), or any replacement regulatory authority or authorities, is an independent, non-governmental funded body given statutory powers by the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) to regulate financial services business in the UK.</p> <p>The FCA contact details are:</p> <p>12 Endeavour Square London E20 1JN www.fca.org.uk consumer.queries@fca.org.uk 0800 111 6768</p>
Financial Ombudsman Service (FOS)	<p>An independent, levy-funded body that considers complaints about advice between financial firms, which cannot be resolved by the firms in the first instance. The FOS contact details are:</p> <p>The Financial Ombudsman Service Exchange Tower Harbour Exchange Square London E14 9SR www.financial-ombudsman.org.uk/contact/index.html complaint.info@financial-ombudsman.org.uk 0800 023 4567 or 0300 123 9123</p>
Financial Services Compensation Scheme (FSCS)	<p>The UK's statutory compensation scheme for clients of authorised financial services firms. The FSCS may pay compensation if an authorised firm is unable to meet its obligations. The FSCS contact details are:</p> <p>Financial Services Compensation Scheme PO box 300 Mitcheldean GL17 1DY www.fscs.org.uk enquiries@fscs.org.uk 0800 678 1100</p>

Fixed Protection	<p>Fixed Protection was a means of protecting previously accrued pension benefits from the Lifetime Allowance charge.</p> <p>There are three different levels of protection. They continue to apply following removal of the Lifetime Allowance from 6 April 2024.</p> <p>Fixed Protection (2012): Provided an individual with a protected Lifetime Allowance of £1.8m. Now increases the Lump Sum Allowance (LSA) to £450,000 and Lump Sum and Death Benefit Allowance (LSDBA) to £1.8m.</p> <p>Fixed Protection 2014: Provided the individual with a protected Lifetime Allowance of £1.5m. Now increases the Lump Sum Allowance (LSA) to £375,000 and Lump Sum and Death Benefit Allowance (LSDBA) to £1.5m.</p> <p>Fixed Protection 2016: Provided the individual with a protected Lifetime Allowance of £1.25m. Now increases the Lump Sum Allowance (LSA) to £312,500 and Lump Sum and Death Benefit Allowance (LSDBA) to £1.25m.</p> <p>An individual may continue to make new contributions to their pension scheme from 6 April 2023 without losing Fixed Protection, provided the protection was successfully obtained before 15 March 2023.</p> <p>You can't have Fixed Protection if you have Primary Protection, Enhanced Protection, or an earlier Fixed Protection option.</p> <p>It's no longer possible to apply for Fixed Protection (2012) or Fixed Protection (2014). Applications for Fixed Protection 2016 must be submitted online at www.gov.uk/guidance/pension-schemes-protect-your-lifetime-allowance#fixed-protection-2016 by 5 April 2025.</p>
Flexi-access drawdown fund	<p>An arrangement established under your SIPP to enable the payment of pension income directly from your SIPP, and which contains funds that are:</p> <ul style="list-style-type: none"> designated for flexi-access drawdown pension for the first time on or after 6 April 2015; converted from a Capped drawdown fund, including funds transferred to your SIPP, which are converted on transfer; derived from a pre-6 April 2015 flexible drawdown fund; and/or transferred from a flexi-access drawdown fund established under another registered pension scheme.
Flexi-access drawdown pension	Pension income paid from a Flexi-access drawdown fund.
Flexible benefits/ flexibly accessing benefits	<p>Benefits which can be taken under the new pensions regime for money purchase pension schemes, which was introduced with effect from 6 April 2015. This gives individuals greater choice and flexibility about how they access their money purchase pension savings. In particular, individuals can choose to take flexi-access drawdown pension, an uncrystallised funds pension lump sum (UFPLS), or to convert a capped drawdown fund to a flexi-access drawdown fund and then take pension income from the converted fund.</p> <p>An individual who takes benefits in any of these ways is flexibly accessing benefits under the new regime. Additionally, anyone who had a flexible drawdown fund that converted to a flexi-access drawdown fund on 6 April 2015, is also flexibly accessing benefits under the new regime.</p>

Flexible drawdown fund/ flexible drawdown	An arrangement established before 6 April 2015 to pay income from a SIPP that had no limits on how much income could be taken, but which was only available if certain conditions were met. If a valid declaration was accepted before 6 April 2015 and these conditions were met, the flexible drawdown fund converted automatically to a flexi-access drawdown fund on 6 April 2015.
Government Actuary's Department (GAD)	The Government department that provides actuarial services and analysis to the government and public sector and produces tables for calculating the Maximum Income Limit.
Gross Personal Contribution	A Contribution paid into a SIPP Account by a Member specified as a Gross Personal Contribution. It will not claim basic rate Tax Relief in respect of any Gross Personal Contributions. A Member may be able to claim Tax Relief from HMRC but this will not be added to the SIPP Account.
Guaranteed annuity rate (GAR)	A feature usually associated with old style annuity plans. A GAR was written into the plan terms from the outset and guaranteed to provide a minimum annuity rate, but only on or after a set retirement date (see also safeguarded benefits).
Guaranteed minimum pension (GMP)	This is the minimum pension which a United Kingdom occupational pension scheme has to provide for those employees who were contracted out of the State Earnings-Related Pension Scheme (SERPS) between 6 April 1978 and 5 April 1997.
HM Revenue & Customs (HMRC)	The Government department that deals with the taxation including of pension contributions and benefits.
Ill-health	To qualify for an ill-health pension, we must have received evidence from a registered medical practitioner confirming that you are, and will continue to be, incapable of continuing your current occupation, and that you have ceased to carry out that occupation.
Individual Protection	<p>Individual Protection was a means of protecting previously accrued pension benefits from the Lifetime Allowance charge.</p> <p>There are two different levels of protection. They continue to apply following removal of the Lifetime Allowance from 6 April 2024.</p> <p>Individual Protection 2014:</p> <p>Provided the individual with a protected Lifetime Allowance of up to £1.5m.</p> <p>Now increases the Lump Sum Allowance (LSA) of up to £375,000 and Lump Sum and Death Benefit Allowance (LSDBA) of up to £1.5m.</p> <p>Individual Protection 2016:</p> <p>Provided the individual with a protected Lifetime Allowance of up to £1.25m.</p> <p>Now increases the Lump Sum Allowance (LSA) of up to £312,500 and Lump Sum and Death Benefit Allowance (LSDBA) of up to £1.25m.</p> <p>If your pension savings on 5 April 2016 were more than £1m, you can still apply for Individual Protection 2016. Applications must be submitted online at www.gov.uk/guidance/pension-schemes-protect-your-lifetime-allowance#apply-for-individual-protection-2016 by 5 April 2025.</p> <p>It is no longer possible to apply for Individual Protection 2014.</p> <p>Individual Protection 2016 is not available if you already have Primary Protection or Individual Protection 2014.</p>
Investment Pathways	An initiative from the FCA that aims to support customers that are entering drawdown, transferring a drawdown fund or have a drawdown fund that exceeds 50% cash or cash-like investments and have not received a personal investment recommendation. Our current Pathway Investment options are displayed on our Website.

In specie	The transfer of the legal ownership of an asset other than cash, (for example, shares), without the undertaking of sell or buy transactions.
Junior SIPP	A SIPP opened for a person under the age of 18 for the benefit of that child.
Legislation and regulation	The rules and regulations of the FCA, and any statutes, statutory instruments and other legislation that apply to us and to the Scheme.
	Where legislation and regulation are amended, references to legislation and regulation are to be construed as incorporating those amendments.
Lifetime allowance (LTA)	<p>Up to 5 April 2024, this was the maximum amount of pension savings that you could build up without incurring a Lifetime Allowance charge.</p> <p>The Lifetime Allowance (LTA) was replaced from 6 April 2024 with the following allowances:</p> <p>Lump Sum Allowance (LSA)</p> <p>Lump Sum and Death Benefit Allowance (LSDBA)</p> <p>Overseas Transfer Allowance (OTA)</p>
LTA Protection	Primary Protection, Enhanced Protection, Fixed Protection or Individual Protection. Individuals with LTA Protection will retain their right to higher levels of tax-free lump sum benefits and lump sum death benefits after the LTA is abolished from 6 April 2024.
Lump Sum Allowance (LSA)	<p>From 6 April 2024, the Lump Sum Allowance (LSA) limits the amount of pension savings that can be taken as a tax-free lump sum when a Relevant Benefit Crystallisation Event (RBCE) occurs. Where a lump sum exceeds your available LSA, the excess amount will be taxed at your marginal rate of income tax.</p> <p>The LSA is set at £268,275. You may be entitled to a higher LSA if you hold a relevant Lifetime Allowance protection.</p> <p>The LSA applies when you take benefits as a Pension Commencement Lump Sum (PCLS) or Uncrystallised Funds Pension Lump Sum (UFPLS) payment from your SIPP.</p> <p>Where LTA was used up to 5 April 2024, this will reduce an individual's available LSA. After that date, the LSA will be reduced where a Relevant Benefit Crystallisation Event (RBCE) occurs.</p>
Lump Sum Allowances (LSAs)	From 6 April 2024 the LTA will cease to exist. Benefit crystallisation events relating to taking income and the age 75 test will no longer apply and only lump sums will be tested. There will be two new main allowances: the Lump Sum Allowance set at £268,275 and the Lump Sum and Death Benefit Allowance set at £1,073,100. There will also be a new Overseas Transfer Allowance, also set at £1,073,100.

Lump Sum and Death Benefit Allowance (LSDBA)	<p>From 6 April 2024, the Lump Sum and Death Benefit Allowance (LSDBA) limits the amount of pension savings that can be taken as a lump sum when a Relevant Benefit Crystallisation Event (RBCE) occurs. Where a lump sum exceeds your available LSDBA, the excess amount will be taxed at your, or your beneficiaries' marginal rate(s) of income tax.</p> <p>The LSDBA is set at £1,073,100. You may be entitled to a higher LSDBA if you hold a relevant Lifetime Allowance protection.</p> <p>The LSDBA applies when you take benefits as a Pension Commencement Lump Sum (PCLS), Uncrystallised Funds Pension Lump Sum (UFPLS) or Serious Ill-Health Lump Sum payments from your SIPP. It also applies to tax-free lump sums that can be paid to beneficiaries after your death.</p> <p>Where LTA was used up to 5 April 2024, this will reduce an individual's available LSDBA. After that date, the LSDBA will be reduced where a Relevant Benefit Crystallisation Event (RBCE) occurs.</p>
Maximum Income Limit	The maximum annual amount of income that you can take from a Capped Drawdown Fund (currently 150% of the basic income derived from GAD tables for the relevant drawdown year). This is currently required to be recalculated every three years up to age 75 and then annually in line with GAD rates (although annual reviews can be requested before age 75). The GAD rate used for those aged 85 and over is the GAD rate for an 85 year old.
Member	Any person who has completed an application for membership of the Scheme, and has been admitted as a member of the ii SIPP by us.
The Money and Pensions Service (MaPS)	<p>The MaPS has brought together the three organisations known as The Money Advice Service, The Pensions Advisory Service and Pension Wise.</p> <p>The MaPS's contact details are:</p> <p>The Money and Pensions Service (MaPS) Holborn Centre 120 Holborn London EC1N 2TD https://maps.org.uk/ contact@maps.org.uk 0115 9659570</p>
Money purchase annual allowance (money purchase AA)	If you flexibly access your money purchase pension benefits for the first time on or after 6 April 2015, you will have a money purchase AA of £10,000 (gross) for the current tax year and from then on until the Government notifies otherwise for all contributions paid into money purchase pension schemes. You will then only be entitled to obtain tax relief on further contributions to your SIPP or other money purchase schemes of up to £10,000 (gross) for any tax year.
Money purchase pension scheme	<p>Under a money purchase pension scheme, an individual pays money into a retirement fund which is invested, for example, in the stock market.</p> <p>The value of the resulting pension is not guaranteed as it is directly linked to the performance of the underlying investments.</p> <p>A money purchase pension scheme can be one of several types of pension scheme including a SIPP, a personal pension scheme, an occupational pension scheme and a small self-administered scheme (SSAS). It is also known as a 'defined contribution scheme'.</p>

Net Personal Contribution	A Contribution paid into a SIPP by a Member specified as a Net Personal Contribution, on which ii claims basic rate Tax Relief from HMRC which is added to the Member's SIPP.
Nominee	A person who is not a dependant, and who is nominated by a member (or, where applicable, the Operator), to receive benefits from the member's SIPP on the member's death. The Operator can only consider a member's nominees or dependants to receive pension income, and can only nominate a nominee in the absence of any known dependants of the member, or nominees and charities that were nominated by the member.
Nominee's flexiaccess drawdown fund	A flexi-access drawdown fund established on the death of a member to enable the payment of pension to a nominee nominated by the member before his/her death (or, where applicable, by the Operator).
Non-Standard Asset	A Standard Asset is defined by the FCA as being an asset that must be capable of being accurately and fairly valued on an ongoing basis and readily realised within 30 days, whenever required. The FCA does provide a list of those assets which are likely to fall within this requirement. A non-standard asset is any such asset which is not capable of meeting the requirements of a standard asset.
Normal Minimum Pension Age (NMPA)	The earliest age, as determined by the Government from time to time, when you can take pension benefits, except on grounds of Ill-health, Serious Ill-health, or if you have a right to a Protected Early Retirement Pension Age.
Occupational pension scheme	A pension scheme established by an employer to provide retirement benefits for its employees.
Open market option (OMO)	Your right to purchase an annuity from any annuity provider offering you the best choice.
Operator	Interactive Investor Services Limited, authorised and regulated by the Financial Conduct Authority (FRN: 141282). The Operator is the administrator of the Scheme, and is responsible for carrying out all the duties and functions required by the FCA, HMRC, legislation and regulation relating to the day-to-day running of the Scheme.
Overseas Transfer Allowance	<p>The Overseas Transfer Allowance (OTA) was introduced from 6 April 2024. It limits the amount of pension savings that can be transferred to a Qualifying Recognised Overseas Pension Scheme (QROPS) before becoming taxable.</p> <p>The OTA is set at £1,073,100. You may be entitled to a higher OTA if you hold a relevant Lifetime Allowance protection.</p> <p>If a transfer to a QROPS exceeds an individual's available OTA, the excess amount will be subject to the Overseas Transfer Charge (OTC) of 25%.</p>
Pension commencement lump sum (PCLS)	<p>A tax-free lump sum available when you crystallise benefits in your SIPP. You can usually take up to 25% of the amount being crystallised as a Pension Commencement Lump Sum (PCLS) subject to your available Lump Sum Allowance (LSA) and Lump Sum and Death Benefit Allowance (LSDBA).</p> <p>If you are entitled to a protected lump sum, the amount you could be paid may be more or less than 25% depending on the type of protection that applies.</p> <p>When you take benefits in excess of your Lump Sum Allowance (LSA) or Lump Sum and Death Benefit Allowance (LSDBA), the excess will be taxed at your marginal rate of income tax.</p>
Pension input period (PIP)	The period over which the amount of pension saving is measured, and which is used to calculate whether the AA (including the money purchase AA) is exceeded. With effect from 9 July 2015, the PIP must be aligned with the tax year, and individuals can no longer choose an alternative PIP.

Pension Review Date	The date that the funds in your SIPP are valued for the purpose of calculating the Maximum Income Limit. This is currently required to be done every three years up to age 75 and then annually in line with GAD rates (although annual reviews can be requested before age 75).
Pensions Advice Allowance (PAA)	The Pensions Advice Allowance payment allows members and beneficiaries of the SIPP to take £500 from their scheme to redeem against the cost of retirement financial advice, without incurring an unauthorised payment tax charge. This option can be used no more than once in a tax year and up to a maximum of 3 times in total.
Pensions Ombudsman	<p>An independent individual who determines complaints by pension scheme members and beneficiaries against scheme trustees, managers, administrators and employers about the way a pension scheme is run.</p> <p>The Pensions Ombudsman's contact details are:</p> <p>Pensions Ombudsman Service 10 South Colonnade Canary Wharf E14 4PU www.pensions-ombudsman.org.uk enquiries@pensions-ombudsman.org.uk 0800 917 4487</p>
Personal pension scheme	A personal pension scheme which provides for an individual plan or policy for the participant and to which the individual and/or his employer can contribute. Benefits are based on the amount contributed and investment return achieved.
Primary Protection	<p>Individuals with pension benefits of more than £1.5m on 5 April 2006 could apply for Primary Protection.</p> <p>Up to 5 April 2024, Primary Protection provided an increased Lifetime Allowance and could also protect lump sum entitlements.</p> <p>Primary Protection continues to apply from 6 April 2024, increasing the LSA to £375,000. The LSDBA is also increased with £1.8m applied to the enhancement factor provided by HMRC to determine an individual's protected allowance.</p> <p>It is no longer possible to apply for Primary Protection.</p>
Protected Early Retirement Age	A right which existed before 6 April 2006 to take benefits from the pension scheme below age 55 or a right which existed prior to 4 November 2021 to take benefits from the pension scheme below age 57.
Qualifying recognised overseas pension scheme (QROPS)	An overseas pension scheme that satisfies certain HMRC requirements so that it can accept transfers from UK registered pension schemes.
Recognised overseas pension scheme (ROPS)	<p>An overseas pension scheme that satisfies HMRC requirements. Unless the scheme also meets the HMRC requirements to be a QROPS, it will not be able to accept transfers from a UK registered pension scheme.</p> <p>Individuals transferring pension benefits from a ROPS to a UK registered pension scheme can apply to HMRC for an enhancement to their LSDBA. The deadline for individuals to apply for an enhanced LSDBA is 5 April 2025.</p>
Registered pension scheme	A pension scheme that has been registered with HMRC under Chapter 2 of Part 4 of the Finance Act 2004 in order to qualify for certain tax reliefs.

Relevant Benefit Crystallisation Event (RBCE)	<p>From 6 April 2024 the Lifetime Allowance was replaced by the Lump Sum Allowance (LSA), Lump Sum and Death Benefit Allowance (LSDBA) and the Overseas Transfer Allowance (OTA).</p> <p>When certain lump sums are paid, they are tested against your available LSA and/or LSDBA. This is known as a Relevant Benefit Crystallisation Event.</p>
Relevant UK earnings	<p>Relevant UK earnings are:</p> <ol style="list-style-type: none"> employment income such as salary, wages, bonus, overtime, commission chargeable to tax under section 7(2) Income Tax (Earnings and Pensions) Act 2003 (ITEPA); income immediately derived from the carrying on or exercise of a trade, profession or vocation (whether individually or as a partner acting personally in a partnership) chargeable under Part 2 Income Tax (Trading and Other Income) Act 2005 (ITTOIA) (trading income); patent income within the meaning of section 579 ITTOIA, or amounts on which tax is payable under section 587 or 593 ITTOIA, or amounts on which tax is payable under section 472(5) of the Capital Allowances Act or paragraph 100 of Schedule 3 to that Act, in each case where the recipient alone or jointly devised the invention for which the patent in question was granted; income which is chargeable under Part 3 of ITTOIA and is immediately derived from the carrying on of a UK or an EEA furnished holiday lettings business (whether individually or as a partner acting personally in a partnership); and general earnings from an overseas Crown employment which are subject to tax in accordance with section 28 of ITEPA. <p>Relevant UK earnings are to be treated as not being chargeable to income tax if by virtue of section 2(1) Taxation (International and Other Provisions) Act 2010 (double taxation arrangements), they are not taxable in the United Kingdom. To the extent that they are not chargeable in this way, they will also not count towards the annual limit for relief.</p>
Relevant UK individual	<p>An individual is a relevant UK individual for a tax year if he/she:</p> <ol style="list-style-type: none"> has relevant UK earnings chargeable to income tax for that tax year; or is resident in the United Kingdom at some time during that tax year; or 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 he/she joined the pension scheme; or has for that tax year general earnings from overseas Crown employment subject to UK tax as defined by section 28 of the Income Tax (Earnings and Pensions) Act 2003 (ITEPA); or is the spouse or civil partner of an individual who has for the tax year general earnings from overseas Crown employment subject to UK tax (as defined by section 28 of ITEPA). <p>For an individual within b. to e. above, who does not have relevant UK earnings, the maximum member contribution is the basic amount (£3,600 (gross) for the current tax year and for each subsequent tax year, until the Government notifies otherwise).</p>
Retirement Age	The age you choose to take your Retirement Benefits which cannot be earlier than the minimum pension age.

Retirement benefits	The benefits that can be taken from your SIPP or other registered pension schemes, namely a PCLS, drawdown pension, an uncrystallised funds pension lump sum (UFPLS) or the purchase of an annuity or a short-term annuity.
Safeguarded benefits	Safeguarded benefits are benefits that are not money purchase benefits, or cash balance benefits (refer to money purchase pension scheme). This means defined benefit (sometimes called 'final salary' or 'career average revalued earnings') pension; Guaranteed Annuity Rate (GAR); and Guaranteed Minimum Pension (GMP).
Scheme	The SIPP Scheme is a registered pension scheme and is established and governed by a trust deed and rules.
Scheme Administrator	Interactive Investor Services Limited is the person appointed as the SIPP Scheme Administrator in accordance with the SIPP Scheme rules to be responsible for complying with the functions and responsibilities of a scheme administrator under the Finance Act 2004 and is registered with HMRC as the Scheme Administrator.
Scheme Practitioner	BW SIPP LLP (company number OC322417), appointed by us to carry out day to day administrative tasks on behalf of us, the Operator.
Scheme Practitioner's Bank Account	BW SIPP LLP's bank account(s) with the Bank of Scotland or such other bank or banks that it may select from time to time.
Self-invested personal pension scheme (SIPP)	A personal pension scheme which allows the individual to have more control over the manner in which the assets are invested. SIPPs permit a wide range of investments and offer flexible retirement options.
Serious ill-health	<p>Serious ill-health is when you have a medical condition that means you're expected to live for less than a year. If this applies, you may be able to take all of your uncrystallised funds as a Serious Ill-Health Lump Sum regardless of your age, as long as you have some remaining LSDBA.</p> <p>If you're under age 75, the lump sum will be paid tax-free. If you've reached age 75, it will be taxed as pension income at your marginal rate of income tax.</p> <p>You won't be able to take any drawdown pension funds this way, although they can still be withdrawn as a drawdown pension.</p> <p>Evidence from a registered medical practitioner will be needed before you can take a Serious Ill-Health Lump Sum.</p>
Short-term annuity	A temporary annuity that runs for up to five years, and allows you to draw an income and to defer buying an annuity.
SIPP	Means the self-invested personal pension arrangements established for you under the Scheme pursuant to these Terms and Conditions.
SIPP Investment Terms of Service	A set of terms which form a legal contract between the member and us. These terms cover the investment dealing, administration and, custody of investments.
SIPP Operator Terms and Conditions	A set of terms and conditions which form a legally binding agreement between the member and us. These terms govern the operation of the ii SIPP.
Small self administered scheme (SSAS)	A particular type of trust-based occupational pension scheme that is often used by business owners as a means of saving for retirement whilst retaining control over the use and investment of pension scheme monies. Generally, all SSAS members are trustees.
Statutory Drawdown Pension Illustration	Annual illustration issued to personal pension scheme members who are taking Drawdown Pension, giving forecasts of the effects of drawing certain levels of pension over various periods, allowing for certain levels of growth of the Member's fund in those periods. It also provides a forecast of the level of Annuity that might be bought.

Statutory Money Purchase Illustration (SMPI)	Annual illustration issued to personal pension scheme members giving forecasts of benefits at the date of issue, and at retirement, of their Uncrystallised funds.
Successor	An individual named in a deceased's Expression of Wishes document to receive benefits from a Beneficiary's SIPP on their death.
Successor's Flexi- Access Drawdown Fund	A Flexi-Access Drawdown Fund established on the death of a Beneficiary who dies leaving unused funds in a Dependant's Flexi-Access Drawdown Fund or a Nominee's Flexi-Access Drawdown Fund to enable the payment of pension to a successor nominated by the Beneficiary before his/her death (or, where applicable, by us, as the Operator).
Tapered Annual Allowance	If you are a higher earner you may be subject to a tapering of your AA for a particular tax year. Broadly, the amount is calculated by subtracting an individual's gross pension Contributions from their net income earned during a tax year. (See also Adjusted Income.)
Tax relief	<p>The maximum contributions you can make each tax year that receive tax relief is the higher of 100% of your relevant UK earnings for the tax year, or £3,600 (including tax relief). This includes any contributions made on your behalf by any third party, except contributions made by your employer as these are paid gross.</p> <p>ii currently reclaim £20 tax relief from HMRC for each £80 (net) that you contribute to your SIPP. If you pay income tax above the basic rate you may be able to claim additional tax relief through a self-assessment tax return, or directly from HMRC.</p> <p>Once you reach age 75, you will no longer be eligible for tax relief on your contributions.</p> <p>If the total contributions made in a tax year exceed the Annual Allowance, the Annual Allowance charge may be applied to reduce the amount of tax relief you can benefit from.</p>
The Investor SIPP scheme	This is the registered pension scheme and is established and governed by a trust deed and rules. Our SIPP is a SIPP product within this scheme.
Third Party Contribution	A Contribution paid into a SIPP on behalf of a member made by a third party (i.e. neither the member nor their employer). These Contributions are treated as if they were made by the member and count towards the member's Annual Allowance. They are treated as net Contributions on which ii claims basic rate Tax Relief from HMRC which is added to the Member's SIPP.
Threshold income	<p>An annual monetary amount that determines whether an individual will be subject or not to a tapering of their AA for a particular tax year.</p> <p>Broadly, the amount is calculated by subtracting an individual's gross pension contributions from their net income earned during a tax year. (See also adjusted income.)</p>
Transfer in	A transfer of the value of pension benefits from another pension scheme to your SIPP, either in cash or in specie.
Transfer out	A transfer of part or the whole of your SIPP funds to another registered pension scheme or to a QROPS, either in cash or in specie.
Trust deed and rules	The legal document which establishes the scheme and sets out how it is governed.

Trustee	<p>Investor SIPP Trustees Limited (company number 10670459), is a nontrading company set up to act as a bare trustee of the scheme and is referred to in the trust deed and rules as the 'asset trustee'.</p> <p>Its sole purpose is to hold the Scheme assets for the benefit of the Scheme members. The Trustee is not responsible for the day-to-day running of the Scheme and as such is not regulated under the Financial Services and Markets Act 2000.</p>
Trustee Bank Account	A common bank account in the name of Investor SIPP Trustees Ltd, which is used collectively for all Scheme Members in relation to the receipt of contributions and transfer payments.
Unauthorised payment	A payment that is not authorised by HMRC made to or in respect of a member, or to or in respect of an employer, by a pension scheme. Unauthorised payments are subject to tax charges and are not permitted by the scheme.
Uncrystallised	Pension funds which have not yet been crystallised - i.e. no retirement benefits have been taken.
Uncrystallised funds pension lump sum (UFPLS)	<p>A lump sum payment paid from uncrystallised funds. Uncrystallised Funds Pension Lump Sum payments are tested against your available LSA. You can only take one if you haven't already used all of your LSA and LSDBA.</p> <p>You can usually take up to 25% of the UFPLS that will usually be tax-free, with the remainder taxable as pension income at your marginal tax rate. The tax-free amount may be less than 25% depending on how much of your LSA and LSDBA you have remaining.</p> <p>Taking an UFPLS will trigger the Money Purchase Annual Allowance.</p>

The ii SIPP, including the provision of the associated Brokerage Services, is operated by Interactive Investor Services Limited, incorporated in England and Wales with company number 2101863. Registered office: 201 Deansgate, Manchester, M3 3NW. Authorised and regulated by the Financial Conduct Authority (Financial Services Register Firm Reference Number 141282). Member of the London Stock Exchange and NEX Exchange. The ii SIPP trustee is Investor SIPP Trustees Limited (a subsidiary of Interactive Investor Limited), incorporated in England and Wales with company number 10670459. Registered office: 201 Deansgate, Manchester, M3 3NW.