



## **Bank of Scotland Share Dealing SIPP**

Key Features



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## keyfacts

<sup>®</sup> The Financial Conduct Authority is the independent financial services regulator. It requires us, AJ Bell Management Limited, to give you this important information to help you to decide whether the Bank of Scotland Sharedealing SIPP is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

# Key features

## 1. Introduction

Under the terms of an agreement between AJ Bell Management Limited (AJ Bell) and Halifax Share Dealing Limited (Bank of Scotland Share Dealing), AJ Bell provides pension administration services for your SIPP and Bank of Scotland Share Dealing provides the investment services for your SIPP.

AJ Bell is the scheme administrator of the Scheme and carries out the pension administration and management of the Scheme.

Sippdeal Trustees Limited, a wholly owned subsidiary of AJ Bell, is the trustee of the Scheme and is the legal owner of assets within the Scheme. Its role as trustee is limited to holding the assets of the Scheme to the order of the scheme administrator, AJ Bell.

Bank of Scotland Share Dealing provides a range of investment services for your SIPP. Details of the Terms and Conditions for the services provided by Bank of Scotland Share Dealing are set out in the Bank of Scotland Share Dealing Service Terms and Conditions which are available on the Bank of Scotland Share Dealing website.

In this Key Features Document, please note that when we refer to “We” or “Us” we are referring to Bank of Scotland Share Dealing, AJ Bell and Sippdeal Trustees unless otherwise indicated.

## 2. Your authority to instruct Bank of Scotland Share Dealing

Sippdeal Trustees Limited, as the legal owner of your SIPP assets, authorises you to act as its agent solely for the purpose of giving investment instructions directly to Bank of Scotland Share Dealing for your SIPP.

## 3. Aims, commitments and risks

### Its aims

#### What is a SIPP and what benefits does it offer me?

A SIPP is a personal pension scheme designed to help you accumulate a sum of money which is then used to provide you with an income after you reach your chosen pension age. It can give you greater choice, freedom and control than other types of pension enabling you to select and manage your own investment portfolio from a wide range of choices.

You can pay one-off or regular contributions into the SIPP to take advantage of the generous tax privileges available. You can also transfer existing pension benefits into the SIPP.

The SIPP gives you the flexibility, from the age of 55, to decide when you wish to take benefits. It provides for lump sum and pension benefits for you in retirement and for your family and dependents following your death.

## Your commitment

### What you have to do as a SIPP member

You must ensure that you understand the features, benefits and risks of our SIPP, so that you can be sure it will meet your needs and expectations.

You must ensure that any regular or single contributions paid are sufficient to meet your needs in retirement.

There is no penalty for ceasing, or reducing, any regular contributions but your benefits will be affected by the level of contributions paid to your SIPP.

If you transfer benefits into your SIPP from another pension scheme you will be responsible for arranging the transfer from that scheme.

You must decide when and how to convert your fund into a pension income. When you make this decision you may be able to take some of your fund as a tax-free lump sum.

You must retain a sufficient cash balance in your SIPP to cover ongoing charges and expenses. The SIPP charges and rates are published on the Bank of Scotland Share Dealing website.

You must agree to be bound by the SIPP Terms and Conditions and pay the charges and rates associated with a SIPP.

### Risks

#### Factors that could affect the benefits you will receive from your SIPP

The main aim of any pension scheme is to provide you with benefits in retirement. There are three areas in which your decisions will affect the benefits you are able to receive from your SIPP:

- ▶ payments to your SIPP
- ▶ investments within your SIPP and
- ▶ withdrawals from your SIPP

We have set out below the risks most closely associated with these three areas. When deciding whether our SIPP is right for you, you should also consider risk factors that are beyond your control, such as the tax reliefs available, inflation, interest rates, annuity rates and charges, and the effect these may have on your pension plans. For further information visit [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk).

#### Payments to your SIPP

By transferring benefits from another pension provider into your SIPP, you may give up the right to guarantees over the kind of benefits, the amount you will receive and the level of increases that will be applied to your pension in future. Your existing pension provider may apply a penalty, or other reduction in the value of your benefits, if it is transferred.

Transferring out of final salary pension schemes will usually result in you being worse off, even if you are offered an incentive to transfer. You should seek advice from a financial adviser before transferring. There is no guarantee that you will be able to match the benefits that you give up by transferring your pension to us.

If you are in any doubt about the benefit of transferring, we recommend that you take advice from a suitably qualified, professional adviser before arranging the transfer.

Your benefits will be affected by the level of contributions paid to your SIPP now and in the future. You may benefit less from investment growth if you delay the payment of contributions to your SIPP.

Please note that the rules relating to tax relief on contributions may change in the future.

### **Investments within your SIPP**

The value of investments held in your SIPP and the income from them can fall as well as rise. Your SIPP may get back less than the amount invested.

Past performance is not an indication of future performance and some investments may need to be held for the long term to achieve a return.

Bank of Scotland Share Dealing provides the investment services in relation to your SIPP. You will be appointed as agent for Sippdeal Trustees Limited, and as such you will be able to give instructions to Bank of Scotland Share Dealing to deal in a range of investments for your SIPP. Some investments carry a higher degree of risk than others.

The following are some specific examples:

- ▶ smaller companies, the price of which can be more volatile and for which there may be a large difference between the buying and selling prices
- ▶ overseas investments, which may carry an exchange rate risk, and may be based in less well regulated jurisdictions

Bank of Scotland Share Dealing and AJ Bell do not provide investment advice as this is an execution-only service. We do provide information about investments, but this is provided solely to enable you to make your own investment decisions for your SIPP and must not be treated as a recommendation. If you need advice to determine whether an investment is suitable for you, you must consult a suitably qualified financial adviser.

If the value of your SIPP is small and/or you instruct Bank of Scotland Share Dealing to deal frequently in small amounts for your SIPP, dealing costs may be disproportionately high and the value of your SIPP may be eroded.

You should note that rules relating to the taxation of capital gains and income from investments may change in the future.

The investment returns may be less than those shown on any illustrations of benefits you receive and the charges may be higher.

### **Withdrawals from your SIPP**

- ▶ If you start to take benefits earlier than you originally intended, the level of the benefits you can take may be lower than expected and may not meet your needs in retirement.
- ▶ Payments you take from your SIPP are subject to income tax. You may have to pay a significant amount of tax if you make large withdrawals in a short period of time.
- ▶ Cash and investments held within your SIPP benefit from significant tax advantages when compared with cash and investments you hold outside pensions.
- ▶ If you take income withdrawals this may erode the capital value of your fund. If investment returns are poor and a high level of income is taken this will result in your SIPP falling in value. This could result in a lower income than anticipated in the future. If your SIPP runs out of funds it could leave you relying on other sources of income for the rest of your retirement.
- ▶ The pension you receive from your SIPP is not fixed or guaranteed for life. If security of income is important to you then you should consider taking an annuity.
- ▶ If you choose an annuity to provide your benefits, the level of income you receive is based upon the average life expectancy of someone of your age. When fixing annuity rates, providers take into account the fact that some people will die earlier than expected, effectively subsidising those who live longer. Income withdrawals paid from a SIPP do not have the benefit of such a subsidy.
- ▶ There is no guarantee that annuity rates will improve in the future. If you choose to purchase an annuity, the level of pension you receive when you purchase the annuity may be less than the pension previously being paid under income withdrawal and/or the annuity you could have purchased previously.
- ▶ Your SIPP can provide pension and lump sum benefits to others after your death. When thinking about how much to take out you should consider whether others may be relying on your SIPP after your death.
- ▶ Having considered these risks, if you have any doubts about the suitability of our SIPP or you need advice, you must seek advice from a suitably qualified professional adviser.

## 4. Questions and answers

### Could your SIPP be right for me?

Our SIPP could be right for you if you:

- ▶ are looking to build up a pension fund in a tax-efficient way;
- ▶ understand that growth is not guaranteed;
- ▶ are prepared to commit to having your money tied up, normally until age 55 (increasing to age 57 from 6 April 2028);
- ▶ require access to wider investment opportunities, such as investment in a portfolio of listed stocks and shares; and
- ▶ wish to make use of the flexible lump sum and pension options available once you reach age 55 (increasing to age 57 from 6 April 2028).

It may not be suitable if you:

- ▶ want unrestricted access to your money before age 55 (increasing to age 57 from 6 April 2028) or
- ▶ are only likely to require access to a more limited range of fund management type investments, such as those available under insurance company personal pension or stakeholder pension plans, or wish to invest directly into assets, such as commercial property, that are not available through our SIPP.

If you have any doubts about the suitability of our SIPP you should contact a suitably qualified financial adviser.

### Could I have a SIPP?

You can open a SIPP with us if you are resident in the UK (or Jersey or Guernsey or the Isle of Man).

### Is a SIPP a stakeholder pension?

A SIPP is not a stakeholder pension.

Stakeholder pensions are relatively simple pension plans, with limited investment options, for which the Government has set minimum standards to be met by providers covering areas such as charges, minimum payment levels and Terms and Conditions.

Stakeholder pensions are generally available and may meet your needs at least as well as a SIPP. If you are in any doubt about the suitability of a SIPP you should contact a suitably qualified financial adviser.

### What are your SIPP charges?

The full charges and rates for your SIPP are available on the Bank of Scotland Share Dealing website. These charges include:

- ▶ **SIPP Charges:** those charged by AJ Bell for the pension administration services it provides, and
- ▶ **Shared dealing Charges:** those charged by Bank of Scotland Share Dealing in relation to the share dealing services it provides for your SIPP.

These charges will be deducted from your SIPP.

## What other Terms and Conditions apply?

The SIPP Scheme Terms and Conditions set out the Terms and Conditions on which AJ Bell provides the pension administration services for your SIPP.

The Bank of Scotland Share Dealing Service Terms and Conditions set out the Terms and Conditions on which Bank of Scotland Share Dealing provides the shared dealing services for your SIPP.

## 5. Contributions

### Who can pay contributions into my SIPP?

You can pay personal contributions into your SIPP. In addition, contributions can be paid by another person on your behalf (e.g. by your spouse, parent or grandparent) and treated as your personal contributions for tax purposes.

If you are employed, your employer can also pay contributions into your SIPP.

Once your SIPP is set up you can pay single contributions and/or increase/decrease your regular contributions at any time, subject only to the minimum contribution levels described below.

Once you have reached age 75 we will no longer accept any contributions paid by you. If you are still employed we can accept contributions paid by your employer.

### Are there any minimum contribution levels?

There is no requirement to pay any contributions if a transfer payment is paid to your SIPP.

If you want to contribute a one-off payment, the minimum single contribution is £1,000 (gross). There is currently no minimum level for your regular monthly contributions.

### How can contributions be made?

Single contributions can only be paid by cheque or electronic transfer. Regular contributions must be paid monthly by direct debit. Contributions paid by direct debit will be taken on the first working day of the month.

Contributions cannot be paid in the form of shares or other investments.

### What if I am entitled to enhanced protection, fixed protection 2012, fixed protection 2014 or fixed protection 2016 and pay a contribution?

If you registered with HM Revenue & Customs (HMRC) before 15 March 2023 for enhanced protection or any of the fixed protections, from 6 April 2023 you can contribute to your SIPP without losing the protection.

## Do I get tax relief on my contributions?

In each tax year, you will get tax relief on personal contributions paid by you, or on your behalf, up to 100% of your UK earnings.

If you have no UK earnings, or your UK earnings are less than £3,600 a year, you can still pay contributions up to £3,600 (gross) and receive tax relief.

Any contributions from your employer do not count against this tax relief limit.

All member contributions are payable net of basic rate tax (20% for the 2025/26 tax year). We will reclaim basic rate tax from HM Revenue & Customs (HMRC) and credit it to your SIPP. If you pay tax at a higher rate than basic rate you can claim any further tax relief to which you are entitled via self-assessment. If you are a Scottish or Welsh taxpayer and you pay tax at a rate higher than basic rate, you will be entitled to claim further tax relief at that higher rate. If you pay tax at lower than the basic rate of tax you will still be entitled to receive tax relief at the basic rate. Please note that if you are not the member named on the form but are paying a contribution on their behalf you will not be entitled to claim any further tax relief.

We will only accept contributions up to the limit for tax relief referred to above. You must tell us within 30 days if you are no longer entitled to tax relief on your contributions.

All employer contributions are payable gross. Your employer will normally receive tax relief on any contributions they pay to your SIPP and you will not normally be taxed on these contributions.

## What is the annual allowance for contributions?

HMRC use the annual allowance to restrict tax relief on large contributions.

The annual allowance is £60,000 for 2025/26. If for any tax year, the total of:

- ▶ contributions paid to registered pension schemes by you, or on your behalf (including any by an employer); and
- ▶ the increase in the value of your benefits under any final salary schemes

is greater than £60,000 you will exceed the annual allowance.

A factor of £16 per £1 p.a. of pension will be used to value the increase in benefits under a final salary scheme.

If you are a high-income individual, your annual allowance may be reduced.

For the 2025/26 tax year, you will be a high-income individual with:

- ▶ an 'adjusted income' over £260,000 for the tax year, and
- ▶ 'threshold income' of over £200,000

As a high-income, your annual allowance will be reduced by £1 for every £2 that your adjusted income exceeds £260,000, to a minimum allowance of £10,000.

If you have flexibly accessed your pension benefits an annual allowance of £10,000 will apply

Continuing to take an income under the capped drawdown limit, taking a tax-free lump sum only, or purchasing a traditional annuity, will not reduce the level of contributions you can make.

## What happens if I exceed the annual allowance?

If you exceed the annual allowance, you may be able to "carry forward" your unused annual allowance from the previous three tax years.

The amount you carry forward is reduced by your annual allowance usage during those tax years.

If having made use of carry forward you still exceed the annual allowance, you will have to pay a tax charge on the excess. The tax charge will be based on the marginal rate of tax relief received on the contribution.

Once you have flexibly accessed your pension benefits you cannot carry forward any unused annual allowance from previous tax years.

## 6. Transfers

### Can I transfer my existing pension benefits into my SIPP?

Yes. Currently, you can transfer benefits from any UK registered pension scheme into your SIPP.

You are not allowed to transfer benefits to a SIPP from most public sector pension schemes.

Transferring out of private sector final salary pension schemes involves giving up guaranteed benefits. You must take advice before transferring from final salary pensions.

You can make a transfer even if you have commenced drawdown under the scheme from which you wish to transfer. The benefits will be subject to the same maximum income limit and pension year as under the scheme from which you are transferring.

Please note that you will be responsible for arranging the transfer from the transferring scheme. It may take some time for us to receive the transfer payment from your existing provider.

### Can I transfer investments held in another SIPP into the SIPP I hold with you?

Yes, although any investments transferred 'in specie' (i.e. in their existing form without being converted into cash), must be an acceptable investment for your SIPP.

If your transfer to us includes any funds that are not clean funds, and a clean fund equivalent exists, we will convert these funds into their clean fund equivalent. If



there is no clean fund equivalent we will hold the fund in its existing form until such time as an equivalent clean fund is created at which point we will be entitled to convert to the clean fund.

### **Can I transfer my SIPP to another pension plan?**

You can transfer the value of your SIPP to another UK registered pension scheme, or qualifying recognised overseas pension scheme (QROPS), at any time.

If you have started taking benefits from your SIPP, then you must transfer the whole of that part of your fund from which you are drawing benefits to your new scheme. If you have uncrystallised funds under the SIPP (i.e. no benefits have commenced) you can choose to transfer all, or only a part, of those uncrystallised funds to another pension scheme.

If the transfer is to a QROPS a check against your overseas transfer allowance must be carried out before the transfer payment is made. If you transfer more than your allowance, there will be a charge of 25% on the excess

The transfer can be in the form of a cash payment, in which case you will have to sell all of the investments held under your SIPP before the transfer is completed, or you may be able to transfer them in their existing form (known as an "in specie transfer").

### **Where can I receive advice or guidance about transferring existing pensions?**

Your adviser will be able to provide you with further information regarding the options available to you and the investment choices that fit best with your pension planning.

If you wish to transfer your pension to access benefits from your SIPP, you can also receive guidance on your options for accessing your pension from the Government-backed Pension Wise service. This is a free, impartial service where one of their independent pensions specialists can talk you through your pension options to help you make an informed decision. This is not a substitute for full, regulated financial advice

As we cannot give you advice, we would recommend that you contact your adviser, or access the Pension Wise service. We can arrange a Pension Wise appointment for you as part of an application to transfer benefits unless you would prefer to make your own arrangements. You can find more information about this in our Transfer Form.

## **7. Investments**

### **What can I invest in?**

Details of the types of investments that can be held in your Bank of Scotland Share Dealing SIPP can be found at [www.bankofscotland.co.uk/sharedealing](http://www.bankofscotland.co.uk/sharedealing) or by calling Bank of Scotland Share Dealing on **0345 606 1188**.

The Bank of Scotland Share Dealing Service Terms and Conditions provide details of how you give instructions to deal in investments under your SIPP.

### **How do I obtain a valuation of my SIPP?**

You can obtain a valuation of your portfolio 24 hours a day, 365 days a year via the Bank of Scotland Share Dealing online service if you are registered. Bank of Scotland Share Dealing will provide you with a statement and valuation at least quarterly either within the secure area of the Bank of Scotland Share Dealing online service or via the post if you are not online registered.

### **Do I pay UK tax on any dividends, interest distributions or capital gains within my portfolio?**

No, as well as getting tax relief on contributions, there is no UK tax to pay on any dividends, interest distributions or capital gains. Tax may be payable on overseas investments and the recovery of any tax of this nature is not offered.

## **8. Member benefits**

### **When can I take my benefits?**

You can commence benefits, whether or not you continue to work, at any time from age 55.

It may be possible to commence benefits earlier if you are in serious ill-health or transfer benefits to your SIPP from an existing pension with a lower pension age provided the transfer meets certain HMRC requirements.

Please read the charges and rates for the charges associated with taking benefits.

### **How do I commence benefits?**

You can take, or "crystallise", benefits from all, or only a part, of your SIPP. This will allow you to phase your benefits to suit your personal circumstances.

For more information regarding the options available to you, please read the 'Information on taking benefits' document and 'SIPP Benefits Guide', available on the SIPPs Explained section of the Bank of Scotland Share Dealing website.

Where relevant you will have to tell us about your available lump sum allowance, your lifetime allowance usage if you took benefits before 6 April 2024 and whether you registered with HMRC for any form of transitional protection.

### **Is there any limit on the amount of my benefits?**

There is no limit on how much of your SIPP you can convert to income drawdown or use to purchase a lifetime annuity. However, there are two limits in respect of tax-free lump sums.

The **lump sum allowance** - currently £268,275. Pension commencement lump sums and the 25% tax-free element of uncrystallised funds pension lump sums count towards this.

The **lump sum and death benefit allowance** - currently £1,073,100. Pension commencement lump sums and the 25% tax-free element of uncrystallised

funds pension lump sums count towards this. In addition, serious ill-health lump sums paid tax-free before age 75 and tax-free lump sum death benefits paid tax-free before age 75 also count towards it.

These allowances were introduced on 6 April 2024, replacing the previous allowance, which was called the lifetime allowance and was set at £1,073,100 in 2023/24. If you took benefits between 6 April 2006 and 5 April 2024, you will have used up some lifetime allowance. When you first come to take benefits on or after 6 April 2024, a one-off calculation will take place to reduce your lump sum allowance and lump sum and death benefit allowance based on how much lifetime allowance you used.

If you have registered with HMRC for protection of your pension savings, you may have higher allowances.

## Can I take a tax free lump sum from my SIPP?

Yes. You can have a tax-free lump sum (also known as the “pension commencement lump sum”). The value of this can be up to the lower of:

- ▶ 25% of the value of the fund applied to provide your benefits; and
- ▶ your unused lump sum allowance and
- ▶ your unused lump sum and death benefit allowance.

If you have protected lump sum rights, then you may be entitled to a larger tax-free lump sum.

You cannot take a tax-free lump sum with the intention of using it to increase your pension contributions. This is because the lump sum will be treated as an unauthorised payment. You will be taxed on the payment at between 40% and 55%. Your pension fund will also be subject to a tax charge of between 15% and 40% (depending on how much of the tax charge you have already paid).

## Are any other lump sums available from my SIPP?

You also have the option of taking a taxable type of lump sum from your SIPP once you’ve reached age 55 (increasing to 57 from 6 April 2028).

A quarter of the lump sum will be tax-free with the other three quarters taxed at your marginal rate. So if you choose to take a lump sum of £10,000, the first £2,500 would be tax-free with the other £7,500 subject to tax.

This option is known as an “uncrystallised funds pension lump sum”.

You’ll be able to receive one of these lump sums from all or part of your fund, but need to consider the amount of tax you will have to pay from larger payments.

The lump sum will only be available from funds that have yet to be used to provide you with benefits.

It will not be available once you’ve used up your lump sum allowance or lump sum and death benefit allowance, or where you hold certain types of protection for your pension benefits.

Once you’ve taken one of these lump sums the amount you’ll be able to contribute to money purchase pensions will fall from £60,000 to £10,000 each tax year.

## What are my options for taking pension benefits?

If you choose to take a tax-free lump sum payment, the remaining fund will be used to provide you with a pension in one of a number of different ways.

### Drawdown pension

Drawdown pension, also known as “flexi-access drawdown” is when your pension fund remains invested and you draw an income from the fund. There is no minimum or maximum level of income, so you can elect to receive a “nil” pension or take your whole SIPP in one go, if you wish.

Payments you receive from drawdown pension are subject to tax. You should make sure that you understand how much tax you may have to pay when deciding how much pension to take. Taking a high level of pension in a short period of time may mean you have to pay tax of 40% or 45%.

You can choose to take a regular monthly, quarterly, half yearly or annual income. All regular pension payments will be sent on the third Monday of the month.

Taking any income under flexi-access drawdown will reduce the amount you can contribute to your SIPP and any other money purchase pensions to £10,000 each tax year.

You can also take one-off pension payments to suit your circumstances, although there is an additional charge for doing so.

If your SIPP holds a mixture of funds that have and have not been used to provide you with benefits, you can choose to draw further benefits at any time.

You can choose to purchase a lifetime annuity with your drawdown pension fund at any time.

Before selecting a drawdown pension you should read the ‘Withdrawals from your SIPP’ section under ‘Risks’.

### Capped drawdown

If you started your drawdown pension fund before 6 April 2015 you may be in a different type of drawdown pension called “capped drawdown”. This works in a similar way to flexi-access drawdown but the amount of pension you can take is subject to a maximum limit set by HMRC.

The maximum level of annual income is currently set at 150% of the Government Actuary’s Department (GAD) relevant annuity rate. This rate varies



depending on your age and returns from Government securities and is applied to the value of your pension fund at the date the fund is first used to provide drawdown pension and at each subsequent review.

The maximum income will be recalculated every three years until you reach age 75, and annually thereafter. You can elect to have the maximum income level reviewed at each anniversary of the date funds were first designated to provide drawdown pension. You must make the election before the relevant anniversary.

You can also move further funds into your capped drawdown pot at any time. This will normally trigger an immediate review of the maximum income level.

Whilst you remain in capped drawdown, provided you have not flexibly accessed benefits elsewhere, you retain the option of contributing up to £60,000 to your SIPP each tax year.

You can move from capped to flexi-access drawdown at any time simply by completing our 'capped to flexi-access drawdown conversion form'.

### **Lifetime annuity**

A lifetime annuity is a regular, taxable, income guaranteed to last you for life. Buying a lifetime annuity involves passing the value of your SIPP to the insurance company of your choice.

The annuity available will depend on the value of your fund, annuity rates at the date of purchasing the annuity and the type of annuity you choose.

If you buy an annuity, you will usually cease to have any involvement with the investment of your pension fund. This may be the right option if security of income is an important issue.

When you purchase your annuity you can decide whether you want the payments you receive to stay level, go up in line with inflation, or decrease at a later time. The last option may be useful if you have other sources of income that will only be available at a later date.

If you choose an annuity that will fall in value at a later date the amount you can contribute to money purchase pensions, including your SIPP, will be £10,000 each tax year.

### **Do I pay tax on pension payments?**

All pensions paid to you under drawdown will generally be subject to income tax. We will deduct the tax due before paying your pension.

If you are receiving a drawdown pension following the death of another person, for example your spouse, this will not normally be subject to tax where the deceased was younger than 75 when they died and you did not receive payments from the drawdown fund before 6 April 2015.

If you purchase a lifetime annuity, the annuity provider will be responsible for the payment of income tax.

### **Do I have to take benefits?**

No. You are not forced to take lump sum or pension benefits from your SIPP at any time.

### **Where can I receive advice or guidance about my benefit options?**

Your adviser will be able to provide you with further information regarding the options available to you and the investment choices that fit best with your pension planning

A free and impartial guidance service is available to help you understand the options. The guidance is available online at [www.moneyhelper.org.uk/pensionwise](http://www.moneyhelper.org.uk/pensionwise), over the phone from MoneyHelper, and face-to-face from Citizens Advice. This guidance is not a substitute for full financial advice.

As we cannot give you advice, we would recommend that you contact your adviser or access the Pension Wise service. We can arrange a Pension Wise appointment for you as part of an application to take benefits, unless you would prefer to make your own arrangements. More information can be found in our Benefits guide.

## **9. Death benefits**

### **What benefits are paid when I die?**

#### **Death benefits payable from your SIPP**

Death benefits may be paid as a lump sum or applied to provide pension benefits for any beneficiary, either under income withdrawal or by annuity purchase.

Death benefits are payable at the discretion of AJ Bell Management Limited, as the Scheme Administrator, of your SIPP. You may nominate the individuals you wish to receive benefits and your wishes will be taken into account. You may complete a new nomination at any time.

The government is consulting on unused pension funds and death benefits payable from a pension forming part of a person's estate for IHT purposes from 6 April 2027.

Death benefits are normally paid tax-free from the funds of individuals who died before age 75, regardless of whether that individual was taking benefits or not, and can be paid as a lump sum or pension. However, these death benefits are only tax-free when paid as a lump sum if they are within the deceased's lump sum and death benefit allowance. Any excess over the allowance is subject to income tax at the beneficiary's marginal rate. Death benefits paid as a pension are not subject to the lump sum and death benefit allowance.

Where the deceased was over 75 death benefits are usually taxed at the marginal rate of income tax of the recipient. If a lump sum is paid to a trust when death occurs over 75 it will be taxed at 45%.

#### **Lifetime annuity**

The benefits payable, if any, will be determined by

the terms of the annuity contract.

## 10. Miscellaneous

### What rules govern your SIPP?

The scheme is governed by a trust deed and rules, as amended from time to time. This key features document summarises the main provisions of the rules and of the legislation that applies to registered pension schemes. However, in the event of any discrepancy between the key features and the trust deed and rules the trust deed and rules will prevail. A copy of our 'Scheme Rules' is available on the Bank of Scotland Share Dealing website.

### How secure is my money?

AJ Bell Management Limited is the Scheme Administrator of the Scheme and is responsible for the day-to-day administration and management of the scheme. Sippdeal Trustees Limited, a wholly owned subsidiary of AJ Bell Management Limited, is the trustee of the scheme, which means that it is the legal owner of the assets in your SIPP.

AJ Bell Management is part of AJ Bell plc, one of the UK's leading SIPP administrators with assets under administration exceeding £81.6 billion and more than 499,000 clients.

AJ Bell Management Limited is authorised and regulated by the Financial Conduct Authority. Sippdeal Trustees Limited does not conduct any regulated activities and is, therefore, not regulated.

Dealing and stockbroking administration services are provided by Bank of Scotland Share Dealing in respect of your SIPP, which is part of the Lloyds Banking Group.

A nominee account allows Bank of Scotland Share Dealing to hold investments for your SIPP in their nominee's name and therefore deal with any settlement, dividends, and corporate actions on behalf of your SIPP. This is established practice in the stockbroking industry.

### What if I change my mind?

You have a legal right to cancel your SIPP, if you change your mind. If you wish to cancel you must do so within 30 days of the date you receive our letter confirming the establishment of your SIPP.

Cancellation rights will also apply to the receipt of transfer payments and on the first occasion that you choose to take benefits. You will have 30 days from the date that you receive our letter acknowledging the transfer or establishing the benefits to exercise your right to cancel.

You may exercise your right to cancel by writing to us at Bank of Scotland Share Dealing SIPP Administration Team

AJ Bell Management Limited  
4 Exchange Quay  
Salford Quays  
Manchester

M5 3EE

Fax: **0345 54 32 601**

Email: [bossipp@sippdeal.co.uk](mailto:bossipp@sippdeal.co.uk)

quoting your name and SIPP reference number.

You must state whether you wish to cancel your SIPP, a specific transfer, or benefits.

If you wish to make an investment during the 30 day cancellation period you can do so, but this will lapse your cancellation rights. Lapsing your rights will mean that you cannot cancel your SIPP, contributions or transfers.

Further information about your cancellation rights are included in our SIPP Terms and Conditions which are available on the Bank of Scotland Share Dealing website.

### Are there any compensation arrangements covering my SIPP?

Yes. The Financial Services Compensation Scheme (FSCS) has been set up to deal with compensation, if firms are unable to meet claims made against them.

**Compensation is dependent on your eligibility to make a claim, and will be subject to limits.**

Further information about the compensation arrangements is available from the Financial Services Compensation Scheme at [www.fscs.org.uk](http://www.fscs.org.uk).

### Can you give me advice?

No, we are not authorised to provide any advice on tax or financial services related matters.

If you need any advice you must contact a suitably qualified financial adviser. Your adviser will give you details about the cost of advice.

### What if I have any further questions?

Visit [www.bankofscotland.co.uk/sharedealing](http://www.bankofscotland.co.uk/sharedealing) or call Bank of Scotland Share Dealing on **0345 606 1188**.

### What if I have a complaint?

Customer satisfaction is very important to us and if you do have any cause to complain about the services provided there are clear procedures laid down by the Financial Conduct Authority to ensure that your complaint is dealt with fairly.

If you have a complaint about the dealing and stockbroking services provided by Bank of Scotland Share Dealing please write to:

Customer Service Manager  
Bank of Scotland Share Dealing  
12 Wellington Place  
Leeds  
LS1 4AP

If you have a complaint about the administration of your SIPP please write to:

Bank of Scotland Share Dealing Administration Team  
AJ Bell Management Limited  
4 Exchange Quay  
Salford Quays  
Manchester

M5 3EE

If you are not satisfied with our response you may refer your complaint to the Pensions Ombudsman free of charge, if your complaint concerns the administration of your SIPP.

The Pensions Ombudsman can be contacted as follows:

10 South Colonnade  
Canary Wharf  
E14 4PU

Tel: **0800 917 4487**

Help is also available from MoneyHelper who can advise you on how to complain and may be able to sort the matter out, without the need for the Ombudsman to get involved.

The contact details for MoneyHelper are as follows:

120 Holborn  
London  
EC1N 2TD

Tel: **0800 011 3797**

All other complaints may be referred free of charge to:

The Financial Ombudsman Service  
Exchange Tower

London  
E14 9SR

Tel: **0800 023 4567**

Email: [complaint.info@financialombudsman.org.uk](mailto:complaint.info@financialombudsman.org.uk)

Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

Making a complaint will not affect your right to take legal proceedings.

### **Important**

The information contained in this key features document is provided based on AJ Bell Management Limited's and Bank of Scotland Share Dealing's understanding of current law, practice and taxation which may be subject to change.

Full details of the legally binding contract in respect of your SIPP are included in the AJ Bell Scheme and Bank of Scotland Share Dealing Service SIPP 'Terms and Conditions' available on the Bank of Scotland Share Dealing website.

The law of England and Wales will apply in all legal disputes.

If you would like a copy of this or any other item of our literature in large print, Braille or in audio format, please contact us on **0345 606 1188** or by email. All of our literature and future communication to you will be in English.

## 11. Bank of Scotland SIPP Charges

SIPP charges are payable to AJ Bell Management Limited, the Administrator of the Bank of Scotland Share Dealing SIPP, or Bank of Scotland Share Dealing as shown below. The dealing charges referred to below in the section titled 'Dealing Charges and Interest Rates', are payable to Bank of Scotland Share Dealing. All charges are payable from your SIPP and include VAT, where applicable.

<b>Set-Up and Administration Charges</b>	<b>AJ Bell Charges</b>	<b>Bank of Scotland Share Dealing Charges</b>
Set-Up		Nil
Quarterly Administration Charge (see Note 1)	£22.50 (SIPP value of £50,000 or less) £45 (SIPP value of greater than £50,000)	
Transfer in of another registered pension scheme	£60 per transferring plan (max £300)	Nil
Transfer out to another registered pension scheme/ Transfer out to a Qualifying Recognised Overseas Pension Scheme (QROPS)		Nil
Annuity Purchase	£90	Nil
Ad hoc statement or valuation (on request)	Nil	£12.50
Re-Investment of dividends	Nil	2%, max £9.50

Additional charges are payable when you start to take income from your SIPP at retirement. These are set out in the table on the following page.

<b>Income Drawdown / Benefit Charges</b>	<b>AJ Bell Charges</b>	<b>Bank of Scotland Share Dealing Charges</b>
Income Drawdown Charges (see Note 2)		
▶ Flexi-access drawdown	£180 per annum	Nil
▶ Capped drawdown before age 75	£180 per annum	
▶ Capped drawdown from age 75 onwards	£300 per annum	
Designate additional funds to drawdown, or request a review of income levels (see Note 3)	£90	Nil
Convert from capped drawdown to flexi-access drawdown	£90	Nil
A one-off payment - Uncrystallised Funds Pension Lump Sum (UFPLS)	£90	Nil
Closure charge through drawdown or lump sums (e.g. UFPLS)	Nil	Nil
Payments on death or if your pension is to be split/shared as part of a divorce	Nil	Nil
CHAPS/Same day payment	£30	Nil
Sell out dealing commission (if we need to sell some of your holdings to cover outstanding charges)	Nil	£9.50

## Notes

1. Payable in arrears and calculated based on SIPP value at the end of March, June, September and December (also applies when your SIPP is in income drawdown).
2. The annual income drawdown charge will become payable immediately where funds are designated to provide drawdown even if you select to take "nil" income. Payable annually in advance.
3. Payable each time you designate additional funds to drawdown, once your SIPP is in drawdown stage.
4. We will be entitled to close your SIPP and return funds to you.

## Dealing Charges and Interest Rates

All charges are available to view on-line or by calling **0345 606 1188**.

You can find information on the dealing charges payable on your Bank of Scotland Share Dealing SIPP here:

[www.bankofscotland.co.uk/investing/ways-to-invest/choose-your-own-investments/charges/](http://www.bankofscotland.co.uk/investing/ways-to-invest/choose-your-own-investments/charges/)

Information on the interest rates that apply can be found here:

[www.bankofscotland.co.uk/investing/help-and-guidance/sipp-explained/](http://www.bankofscotland.co.uk/investing/help-and-guidance/sipp-explained/)

Any interest on cash held in your SIPP will be paid to you by Bank of Scotland Share Dealing. AJ Bell does not receive or pay any interest on cash held in your SIPP.

AJ Bell Management Limited is the Scheme Administrator of the Bank of Scotland Share Dealing SIPP. AJ Bell Management Limited is registered in England No. 3948391. Registered Office: 4 Exchange Quay, Salford Quays, Manchester M5 3EE. Authorised and regulated by the Financial Conduct Authority and on the FCA register under FCA register number 211468. Sippdeal Trustees Limited is a wholly owned subsidiary of AJ Bell Management Limited, registered in England No. 4050222. Registered Office: 4 Exchange Quay, Salford Quays, Manchester M5 3EE. Sippdeal Trustees Limited does not conduct any regulated activities, and is, therefore, not regulated.

Dealing and stock broking administration services are provided by the Bank of Scotland Share Dealing Service which is operated by Halifax Share Dealing Limited. Registered in England and Wales no. 3195646. Registered Office: Trinity Road, Halifax, West Yorkshire, HX1 2RG. Authorised and regulated by the Financial Conduct Authority under registration number 183332. A Member of the London Stock Exchange and an HM Revenue & Customs Approved ISA Manager.