



keyfacts[®]

Key Features of Your Global SIPP

PATHLINES
your savings journey

 **options**[™]
for your tomorrow

Important Note

If you would like a copy of this document in braille, large print or audio format please contact us on +44 (0)330 124 1505.

Pathlines Pensions UK ('Pathlines') cannot provide you with either financial or investment advice in relation to your specific circumstances and the suitability of a self-invested personal pension ('SIPP') or Your Global SIPP for your retirement planning.

This Key Features document explains the main characteristics and potential benefits of the Your Global SIPP product that you are opening with Pathlines.

Your Global SIPP is not a stakeholder pension scheme. If you do not require the flexibility offered by a SIPP then a personal pension scheme may be more appropriate for you.

Your Global SIPP is only open to you if you live outside the UK and have appointed a financial adviser that uses the Your Global SIPP product.

The added flexibility of the Your Global SIPP product might result in charges that are higher than some other pension products such as a personal pension scheme or stakeholder pension scheme and you should satisfy yourself that these added benefits are relevant to your circumstances.

If you are unsure as to whether a SIPP or Your Global SIPP is suitable for you then you should seek advice from your financial adviser.

Before you start reading

We use plain language to make these Key Features easy to understand. Please take time to read this information. If you need to ask about anything you read, we are here to help, so please contact us either by phone, email or in writing.

Our contact details are:

Pathlines

Lakeside House
Shirwell Crescent
Furzton
Milton Keynes
MK4 1GA

Email: support@pathlines.co.uk

Telephone: +44 (0)330 137 3980

'You' means the person choosing the SIPP and 'we' and 'us' means Pathlines.

The term '**our SIPP**' or '**SIPP**' is used throughout this document as a generic description of the Your Global SIPP product.

We also refer to '**your SIPP**' or '**my SIPP**' throughout the document – this means the self-invested personal pension arrangement(s) you set up and hold with us (if you decide to join Your Global SIPP).

About Us

The Financial Conduct Authority ('FCA') requires us, Pathlines Pensions UK ('Pathlines'), to give you this important information to help you to decide whether the Your Global SIPP is right for you. You should read this document carefully so that you understand the product and then keep it safe for future reference.

This document is based on our understanding and interpretation of current legislation, which may change in the future. It should not be relied upon for financial advice, detailed advice for an individual, or as legal advice. The taxation of benefits that you may be entitled to in the future can change.

Key Features of Your Global SIPP

Introduction

These Key Features explain the main characteristics and potential benefits of the Your Global SIPP. If you have any questions about any information in this document, please contact your financial adviser, or contact us directly.

Your Global SIPP is a type of personal pension scheme called a 'self-invested personal pension' ('SIPP') and is a suitable long-term pension planning vehicle for individuals who want to diversify their investments outside of the usual range offered by a traditional personal pension. There are additional costs associated with Your Global SIPP.

Your Global SIPP is designed for use by individuals who no longer live in the UK but have existing pension rights or funds that are held in other UK pension schemes. You must have appointed a financial adviser acceptable to us to be able to open a Your Global SIPP arrangement.

Your Global SIPP differs from a conventional insured pension plan because it can give you more control and flexibility. Your chosen investment manager or financial adviser direct where the funds are to be invested, provided it is in accordance with the conditions that we impose.

Your Global SIPP is held within a UK registered pension scheme and benefits from tax exemption and reliefs in the UK.

Options UK Personal Pensions LLP ('Options UK') act as third-party administrator for Your Global SIPP. They provide the day-to-day administration services relating to Your Global SIPP and will be your first point of contact in relation to your SIPP. Pathlines and Options UK are part of the same group of companies and are both authorised and regulated in the UK by the FCA.

Its aims

Your Global SIPP aims to provide you with the following:

- a tax-efficient way to save for your retirement, as your fund is usually free from UK income tax and capital gains tax on investment returns and growth;
- a range of investment options;
- the ability for your chosen financial adviser or appointed investment manager to make decisions about investments;

- the provision of retirement benefits that are flexible in meeting your changing needs and personal circumstances;
- a wide range of options at retirement, including drawing income direct from your fund, purchasing an annuity from an insurance company and even to phase your retirement by taking benefits in stages; and
- direct access to dedicated, experienced administrators and technical staff

Your Global SIPP can only be funded by the transfer of existing pension rights from other pension schemes. You cannot make contributions to Your Global SIPP.

Your commitment

When you open a Your Global SIPP with us you are committing to the following:

- you need to make sure you understand the main features, benefits and risks of Your Global SIPP before opening an account with us to ensure that it meets your needs and expectations;
- you need to make at least one transfer to start Your Global SIPP;
- you agree to take responsibility for deciding how your SIPP is invested and who you appoint to make those investment decisions;
- you agree to notify us of any change in address or tax residency as soon as reasonably practical;
- you will normally have to wait until your 55th birthday (or 57th birthday from 6th April 2028) before taking any money from your SIPP with us and any benefits taken will be based on restrictions laid out by the tax rules;
- you are responsible for regularly checking your investments and fund growth to make sure you will meet your retirement plans and goals;
- you agree to pay the fees associated with your SIPP and keep enough cash in your SIPP to meet any ongoing fees; and
- you must read and agree to our terms and conditions (that are available on our website www.pathlines.co.uk or, alternatively, please call us or email us and we will send you a copy if you have not yet read them).

Fees can be paid from your SIPP or personally.

Key Features of Your Global SIPP (continued)

Risks

When you can access the funds held in a Your Global SIPP

In normal circumstances benefits can only be paid out from age 55 (or age 57 from 6th April 2028). Benefits may be paid from an earlier age in some exceptional circumstances where you suffer from ill health or incapacity.

If you retire earlier than expected and start taking payments from your SIPP then your pension savings may run out during your retirement and may not meet your retirement needs.

The level of pension benefits you will receive is not guaranteed.

The value of investments within your SIPP may go up or down. The value of your pension fund at retirement is not guaranteed and will depend on the performance of your investments.

The eventual benefits provided by your SIPP in the future may be lower than you expect for a number of reasons.

- lower than expected investment returns, or capital growth
- lower than expected interest or annuity rates
- increases in charges or investment costs
- drawing benefits earlier than anticipated at outset

Changes to tax rates, reliefs and allowances in the future may affect the amount of benefit that you receive when you retire.

The pension income you will receive if you draw direct from your SIPP is not fixed and isn't guaranteed for life. If a guaranteed income in your retirement is important to you then you should consider buying a guaranteed income stream through an annuity from an insurance company. If your SIPP funds run out your income will stop.

If your SIPP investment returns are poor and you take a high level of income then your SIPP will fall in value.

If your SIPP runs out of money you will be reliant on other sources of income for the rest of your retirement.

Any income (or most of any one-off taxed lump sum) you draw is normally taxable, whether in the UK or in the country you reside in or potentially both. We will deduct UK income tax from any income (or the taxable part of any taxed lump sum) through payroll unless told otherwise by His Majesty's Revenue & Customs ('HMRC') in the UK.

The more you draw in a tax year, the more likely you are to fall into higher-rate tax bands and the more tax you will pay. You should consider marginal tax-rates in the jurisdiction you pay tax before deciding on the level of income to draw.

Transaction charges are payable. The excessive switching of investments or low value transactions may erode the value of your fund.

If your SIPP holds more specialist investments then we will have to obtain an up-to-date market valuation of the investments when you take benefits (and at certain other times prescribed by the tax rules). This will likely incur costs.

Transfer risks

You will incur transfer fees if you transfer into your SIPP pension rights from another pension plan. The other provider may also levy their own charges. Charges will also be due if in the future you decide to transfer from Your Global SIPP to another pension plan.

You may be giving up valuable scheme benefits such as guaranteed benefits or annuity rates or life assurance cover if you leave the transferring scheme. If you transfer rights from a defined benefit pension arrangement to your SIPP then the pension benefits you receive in your SIPP may not be as great as they could have been had you stayed a member of the scheme from which you are transferring.

We will not accept transfers from schemes with guaranteed benefits unless you have taken independent financial advice from a qualified UK financial adviser. We reserve the right to refuse to process the transfer if the advice is not to proceed.

If you are already in receipt of benefits from your existing pension provider then you can only transfer those benefits to us if the benefits are being paid as income drawdown. On transfer to your SIPP we will need to keep these funds segregated from any other funds you transfer to us.

If these funds are currently supporting a capped drawdown pension they will be converted to the new flexi-access drawdown rules on receipt.

Investment risks

You are responsible for appointing a regulated financial adviser or investment manager to decide on your behalf how the funds held in your SIPP are invested. Where we agree you can do this yourself then you will have that responsibility. We cannot do this for you.

You will not receive a recommendation from us concerning either the suitability of the Your Global SIPP product or the investments held within it. We will not accept any responsibility for poor investment performance or mis-selling. If you are unsure whether Your Global SIPP or the specific investments that you will invest in through your SIPP are suitable for you then you should consult with your financial adviser.

Your Global SIPP allows you to access a range of investments, and some of these carry a far greater degree of risk than others.

You and your financial adviser or investment manager should read carefully the content of the Key Investor Information Document or relevant fund specific document for the investment(s) they or you have chosen – if you do not understand any aspect of the investment or have any questions relating to the potential risks of an investment you should seek advice from your financial adviser or investment manager.

The sale or market value of some investments are subject to the opinion and judgment of third parties, and sometimes these values are not always easily obtained.

Some investments can take far longer to sell than other investments, and you may not be able to sell them at the time you wish to.

Key Features of Your Global SIPP (continued)

Investment risks (continued)

The value of your investments, and income you receive from them, can go down as well as up. There are no guarantees you will get back the full amount you paid in. The value of your SIPP will depend on how much you transfer in from other pension schemes, the charges you pay and the rate at which your investments grow over the years.

Past performance is not an indication of future performance. Some investments need to be held for the long term before you receive a return.

Some higher risk investments may vary in value and could potentially result in the loss of your entire investment should they underperform.

Fees and charges risks

The fees we charge are normally a fixed amount and not linked to the value of your pension fund. This means that fees could seem more expensive if your pension fund value falls.

If you open your SIPP with a small amount and do not add in further transfers the fees associated with Your Global SIPP may erode the value of your SIPP even if your chosen investments perform well.

Our fees and charges may increase, although this will be communicated to you in writing in advance.

As well as our fees you need to consider the impact of any fees or charges due to your financial adviser, investment manager or custodian and any third-party.

All fees associated with your SIPP are subject to change and may have an impact on the value of your pension fund if they go up.

Any charges or fees you pay for your chosen investments could change and be higher than expected and this may affect the value of your SIPP.

We may retain part of the interest payable on your designated SIPP bank account that we set up to receive money into your SIPP to help maintain lower SIPP administration fees. Our **SIPP Interest Rates policy** is available on our website.

Other risks

If you hold a personal bank account in the same bank or building society where we hold your SIPP funds (or within the same banking group) this may reduce the amount you can claim in compensation in the event of the default of that bank or building society.

The tax treatment of pension savings depends on your own individual circumstances. Tax law could change in the future and may affect your SIPP.

The government has announced that unused pension funds remaining on death will be brought within the scope of inheritance tax from 6th April 2027.

If you hold investments outside of the UK, foreign withholding tax may apply.

If you flexibly access your pension savings then you must tell your other UK pension providers within 91 days. If you do not, you may receive a fine from HMRC in the UK.

Taking money from your SIPP will reduce the amount payable to your beneficiaries after your death.

Questions and Answers

Setting up Your Global SIPP

Can I open a Your Global SIPP?

You can open a Your Global SIPP with us if you:

- are not resident in the UK;
- are resident in another country acceptable to us;
- are aged 18 or over; and
- have appointed a financial adviser who has signed up with us to use Your Global SIPP.

How do I start my Your Global SIPP?

To start a Your Global SIPP you need to put in a minimum of £50,000 by a transfer (or transfers) from another pension provider.

Please consider the impact of our and other fees on your SIPP fund if you open your SIPP with a small amount of money or intend drawing off relatively high levels of income or benefits.

All transfers into your SIPP plan will be paid into your designated SIPP bank account.

Any transfer paid into your SIPP bank account will remain there until you instruct us to invest the money elsewhere on your behalf. Income from other investments such as

dividends or rent received by the scheme must be paid into this account.

What is the SIPP bank account?

Any money that we receive into your SIPP will be held in a bank account selected by us in the name of the SIPP trustees. This bank account will be held with HSBC, unless we tell you otherwise in your welcome letter.

We record all cash transactions in relation to your SIPP within this bank account.

All money received to your SIPP will remain in this bank account until we receive any investment instructions.

You must keep a minimum balance in this account (as we will notify you on the set up of your SIPP).

Your SIPP bank account normally accrues interest. The current rates and our policy on paying interest is laid out in our SIPP Interest Policy (available on our website or on request). We may retain part of the interest payable by the bank to help maintain lower SIPP administration fees.

Cash transaction summaries are available to view 24 hours a day, 365 days a year via our website www.pathlines.co.uk.

Questions and Answers (continued)

Setting up Your Global SIPP (continued)

What are the fees and charges?

We charge fees relating to:

- the establishment of your SIPP;
- the annual administration of your SIPP; and
- other transactional charges.

Our fees are published in the Your Global SIPP Fee Schedule document. A copy will be supplied with any application pack issued and is also available from our website www.pathlines.co.uk or on request.

The fees due will be collected from your SIPP bank account in accordance with our published Fee Schedule document.

Some fees we charge on a time cost basis, but we will always inform you when this type of fee applies and will provide you with an estimate of the fees where we can.

Additional fees may be charged by other parties for activities undertaken within your SIPP (for example, any fees you agree with a financial adviser).

Can I change my mind?

You have the right to cancel your SIPP application within 30 days of the application.

What happens if I do change my mind?

Provided you did not waive your cancellation right on joining you can change your mind and cancel Your Global SIPP application, as long as you do it within 30 days of the date you receive our email or letter accepting your application. You also have 30 days to cancel any transfer payments and your decision to start accessing your pension for the first time.

You can exercise your right to cancel by returning the cancellation notice we send you to the address or email address provided with that notice or at:

Pathlines

Lakeside House
Shirwell Crescent
Furzton
Milton Keynes
MK4 1GA

Email: enquiries@pathlinespensions.co.uk

Will I lose anything if I cancel within 30 days?

If you do change your mind and cancel Your Global SIPP application we will:

- return any transfer payments to the transferring pension scheme (if possible); and
- refund any of our fees that may have been deducted.

Please note:

- if you have requested that we invest your pension fund during the 30-day cancellation period the amount returned will be reduced if the value of the underlying investments falls before we receive your notice to cancel.
- the costs associated with any third party for the purchase or sale of any assets during the cancellation period (for example, stockbroker fees for shares purchases) cannot be refunded.

- any fees paid by us to your financial adviser form part of a contract between you and your financial adviser and may not be refunded as part of your cancellation with us;
 - any refund of these fees would need to be agreed directly with your financial adviser; and
 - any outstanding fees owed to your financial adviser may still be payable.
- the transferring pension scheme may not accept a return of any transfer payment; if this is the case, it will be your responsibility to make arrangements for the funds to be transferred into an alternative pension scheme.

Making contributions to Your Global SIPP

Can I contribute to my Your Global SIPP?

No.

As Your Global SIPP is a product designed for individuals who do not currently live or reside in the UK we do not accept contributions (as no UK tax relief can be claimed on those contributions).

Making transfers to and from Your Global SIPP

Can I transfer other pensions into my SIPP?

It will be possible to transfer benefits from other registered pension schemes into your SIPP held with us.

Normally, these benefits will be transferred in the form of cash directly into your SIPP bank account.

In some instances, it will be possible to transfer assets 'in specie' from other pension arrangements into your SIPP with us (for example, the transfer of commercial property). An 'in specie' transfer will involve re-registering the registered holding so that it is owned by the trustee of the Your Global SIPP. It may not always be possible to make such transfers and it is worth obtaining confirmation from the transferring pension provider that the transfer of the asset itself is possible. We will also need to check that the investment is acceptable to us.

Transferring pension benefits is a complex issue and a number of factors should be considered and discussed with a UK financial adviser before the transfer goes ahead (as well as any adviser in the country you live). This applies whether the transfer is to or from your SIPP held with us.

The FCA have a section on their website providing information for consumers on pension transfers at www.fca.org.uk/consumers/pension-transfer. If you would like a printed copy of this please contact us.

Transfers from a final salary pension scheme are not permitted unless an appropriately qualified financial adviser has advised you on the transfer to your SIPP. We reserve the right to refuse to process the transfer if the advice is not to proceed.

If you hold funds in another pension scheme already supporting a drawdown pension you can transfer these funds to your SIPP. If these funds are supporting a capped drawdown pension these can be transferred but will be converted to flexi-access drawdown funds on receipt.

You cannot transfer your state pension entitlement to your SIPP.

Questions and Answers (continued)

Making transfers to and from Your Global SIPP (continued)

Can I change my mind about a transfer?

You have the right to cancel any transfer into your SIPP. We will send you a cancellation notice telling you about your right and you have 30 days from the date you receive this notice. If you elect to cancel the transfer there is no guarantee that the monies can be returned to your previous scheme, and you may have to make alternative arrangements for a new policy to receive these monies.

If the transfer value has already been invested when you decide to cancel, the amount that is to be returned may be lower than the amount originally received, in which case you will receive less than you originally transferred.

You will also incur transfer in costs and investment transaction costs may also be incurred.

Can I transfer my pension benefits away?

Yes. You can normally transfer the value or part of the value of your SIPP with us to another UK registered pension scheme, or to a recognised overseas pension scheme at any time (subject to the scheme passing our due diligence process).

We reserve the right to not agree to a transfer out request, but only where it is reasonable for us to do so and where you do not have a legal right to transfer.

We may be required (by law) to ask you to talk to MoneyHelper before considering a transfer out request. MoneyHelper is a free government sponsored consumer-facing service, providing free and impartial money and pensions guidance.

A transfer to a pension scheme outside the UK is complex and may result in a UK tax charge being applied to the transfer. Please seek professional or financial advice before considering an overseas transfer.

Investments within Your Global SIPP

Who makes the investment decisions for my SIPP?

You are ultimately responsible for choosing how Your Global SIPP is invested (within the parameters we set). However, in most cases we will require you to appoint either your financial adviser or a separate investment manager to choose the investments on your behalf.

If you are what the FCA calls a 'professional investor' then we may agree to you acting as your own investment manager (subject to any restrictions we impose). Further information can be found in the Member Trading Guidance Notes available on our website.

We cannot give you advice on the investments held within Your Global SIPP, nor will we assess the suitability of the particular investment or service being offered or provided for your personal circumstances.

We will not assess whether:

- the relevant product or service meets your investment objectives;
- you would be able financially to bear the risk of any loss that the product or service may cause; or
- you have the necessary knowledge and experience to understand the risks involved.

The value of your SIPP will depend directly on investment performance, how much you contribute and any costs relating to the underlying investments.

We always strongly recommend that you take advice from an appropriately authorised financial adviser before making any investment decisions or appoint an authorised investment manager to manage the investments for you.

What can my Your Global SIPP invest in?

Your Global SIPP gives you flexibility to appoint your own investment manager and invest in a broad range of investments; unlike an insured scheme where the financial institution providing the contract also provides the funds available for investment.

In Your Global SIPP you can invest in one investment account:

- this account can be set up with a regulated investment platform, stockbroker or discretionary fund manager of your choice (or through a trustee investment plan of offshore bond);
- the account provider must be acceptable to us and sign up to our terms of investment conditions; and
- within this account you can invest in as many regulated funds or stocks and shares listed on a recognised stock exchange as you need that are within our guidelines.

Alternatively, you can instead hold one of the following:

- a UK savings account;
- an investment product provided by the National Savings & Investments ('NS&I'); or
- a gold bullion account (with the Royal Mint).

All the investments held within Your Global SIPP are owned by the trustee company but it is still your and your investment manager's decision where your SIPP money is invested.

What types of investment are allowed within the investment account?

A full range of investments can be held within your investment account.

These investments include:

- managed funds and unit linked funds provided by insurance companies;
- regulated funds set up as an authorised unit trusts or open-ended investment companies ('OEICs');

Questions and Answers (continued)

Investments within Your Global SIPP (continued)

- stocks and shares quoted on the London Stock Exchange or other large and established overseas stock exchanges 'recognised' by HMRC;
- investment trusts and real estate investment trusts ('REITs');
- exchange traded funds ('ETFs') and exchange traded commodities ('ETCs');
- government and corporate bonds; and
- structured products (with restrictions).

There are no restrictions on the number of investments or investment accounts that can be held within your investment account.

Full details of what investments we will permit in Your Global SIPP is given in our Permitted Investments List; a copy of this document is available on our website www.pathlines.co.uk, or alternatively please call us or email us and we will send you a copy.

We reserve the right to reject any investments that we deem not to be appropriate.

Can my Your Global SIPP acquire property?

No. We do not permit any form of property to be bought directly or held within a Your Global SIPP.

Can my Your Global SIPP make a loan?

No. We do not facilitate loan investments (including to a third-party).

Loans to SIPP members, their businesses or any person or party connected to them are not allowed by the tax rules and impose heavy tax charges if these are made, directly or indirectly.

Can my SIPP buy an investment from me or a party connected to me (or sell an existing asset to me or such a party)?

We do not normally allow Your Global SIPP to buy an investment from you or a party connected to you (or sell an existing investment to you or a connected party).

Do I pay tax on any dividends or gains in my SIPP?

You won't normally pay UK tax on any dividends or capital gains. There may be a foreign withholding tax on investments held outside of the UK.

Drawing benefits from your SIPP

When can I take my benefits?

You can currently access your pension at any time from your 55th birthday. You do not have to stop working to do so. From 6th April 2028 the age from which you can start accessing your pension is changing from age 55 to age 57.

It might be possible to access your SIPP before your 55th (or 57th) birthday if you are unable to work because of ill health. If you are seriously ill and your doctor says that it is likely that you have less than a year to live, then you may be able to take your whole SIPP as a lump sum (see later question).

You may also have transferred in monies from another pension scheme where you were entitled to start benefits earlier than the above ages and the tax rules allow you to keep that right on transfer to us. If you have such a right, this might only apply to the transferred funds.

Before deciding to access your SIPP you should take financial advice from a financial adviser regulated by the FCA or seek guidance from Pension Wise.

What is Pension Wise?

Before deciding to access your SIPP you should take financial advice from your financial adviser and seek guidance from **Pension Wise**. This is a free and impartial guidance service available to you once you are 50 or over. They can help you understand the different ways you can take your pension benefits.

The guidance is available online and they provide appointments over the phone or in person. You can call (from outside the UK) +44 203 733 3595 or go to www.pensionwise.gov.uk to book your appointment or we can book the appointment on your behalf. Their guidance is impartial and they won't recommend any products or companies or tell you how to invest your money.

We would also suggest that you read the Money Helper guide: **Your Pension: your choices** which is available to download and view on their website. The **Money Helper Service** is an independent service, set up by the government to help people make the most of their money.



Tel: 0800 1383944
Tel: +44 203 733 3595 (if you are outside the UK)
www.Pensionwise.gov.uk



Tel: 0800 138 3944
Tel: +44 207 932 5780 (if outside of the UK)
www.moneyhelper.org.uk

Questions and Answers (continued)

Drawing benefits from your SIPP (continued)

How much will I get when I retire?

The final value of your SIPP will depend on a number of factors including:

- how much you have transferred in from other pension schemes; and
- the performance of the investments after charges.

The actual amount may differ from that estimated on any personal illustrations that you may have received.

What options are available to me when I access my SIPP?

You can normally take up to 25% of the value of any SIPP funds you are accessing for the first time (called 'uncrystallised funds') as a UK tax-free cash lump sum (called a 'pension commencement lump sum', or 'PCLS').

If you live outside the UK the lump sum may possibly be taxable in the country you reside in.

The rest of your pension fund will be used to provide you with an income.

There are two ways this income is provided - either:

- secure a regular income by buying a **lifetime annuity** from a UK insurance company; or
- leave the funds invested in your SIPP and draw an income direct from your SIPP as income drawdown ('**flexi-access drawdown**').

The choice is yours.

All income drawn will be subject to UK income tax at your marginal rates, which is deducted at source through payroll. If you still live outside the UK at that point then you may be able to apply to HMRC to ask them to allow us to pay income without deducting UK tax. You will need to take advice as to how any income drawn is taxed in the country you live in.

Alternatively, you can normally take all or part of your uncrystallised SIPP fund as a single or a series of one-off taxed lump sum cash payments (known as an 'uncrystallised funds pension lump sum'). 25% of this will be tax-free in the UK and the rest of the payment will be taxed as income.

If you have transferred in funds from another pension scheme that were already supporting an income drawdown pension you can only have continuing income payments from those funds (although you can buy an annuity in the future from those funds at any time).

What is an annuity?

An annuity is a retirement income product sold by an insurance company. Your pension funds are paid to the insurance company and in return they pay you an income for the rest of your life (a 'lifetime annuity') or for a fixed term depending on the type of annuity you purchase.

The amount of income received depends on:

- the size of your pension fund;
- your age;
- the type of annuity and what options you want; and
- the annuity rates available at the time of purchase.

There may also be enhanced terms depending on your state of health.

There are different types of lifetime annuities and you can (and should) shop around and compare providers to get the best deal. You should seek financial advice before purchasing an annuity.

You can opt to buy a lifetime annuity with only part of your fund.

What is flexi-access drawdown?

Flexi-access drawdown is an alternative option to buying an annuity when you access your pension. It allows you to stay invested while you draw an income from funds allocated for this purpose in your SIPP.

You can take income immediately or you can delay taking income until you need it. Income payments can vary and you can take one-off payments if you wish.

You must also have the cash in your SIPP to fund any income payment.

You can opt for either a full drawdown (where you use the entire SIPP) or just part of your SIPP for income drawdown (often called 'phased drawdown').

Unlike a lifetime annuity, there are no guarantees with income drawdown; if your funds run out all income will stop. Whilst usually less flexible, a lifetime annuity provides a guaranteed income for no matter how long you live.

You can buy a lifetime annuity at any time from your drawdown funds (and, with a financial adviser, this is something you should consider at regular intervals to see if the time is right to do so).

Is there a limit on what income I can draw through flexi-access drawdown?

With flexi-access drawdown there is no limit to the amount of income you can take from your pension fund each year, other than the value of the pension fund used to provide the income drawdown and the cash available to make the payment.

Drawing income through flexi-access drawdown will (in most cases) trigger the money purchase annual allowance, which may have an impact on the future contributions you could make in the UK in the future.

What is an uncrystallised funds pension lump sum ('UFPLS')?

This is a form of one-off lump sum where 25% of it is paid tax free and the rest subject to income tax at your marginal tax rate (deducted by us through payroll). A series of UFPLS payments can be made.

You may not be eligible for an UFPLS, depending on your circumstances.

What is phased retirement?

You may not want to take all your pension benefits at once. We allow you to take some tax-free cash and make income withdrawals or buy an annuity at different times. You can use all or part of the fund to do this. This process is known as "phased retirement".

Questions and Answers (continued)

Drawing benefits from your SIPP (continued)

Is there a limit to how much I can take when I retire?

No, but there is a limit on how much of your SIPP funds you can draw as a tax-free lump sum (or as an UFPLS). You are, however, limited by how much is in your SIPP; once the money runs out there will be no more payments.

Will I always get 25% as a UK tax-free lump sum?

Not always.

On 6th April 2024 an upper cap called the 'lump sum allowance' was introduced. This is a lifetime personal limit on the amount of pension commencement lump sums and the UK tax-free element of any UFPLS that you can be paid in your lifetime from all pension schemes. For most people, their 'lump sum allowance' will be £268,275.

Once you have used up your lump sum allowance you may still take some of any funds you start accessing for the first time as a lump sum, but this will be subject to income tax in the UK at your marginal income tax rates for the tax year.

If you accessed benefits before 6th April 2024 (or used up any of your lifetime allowance under the old rules in place before that date) then part of your 'lump sum allowance' will be deemed to have been used up (and possibly all of it).

We will need to ask you or your adviser some questions about what has happened previously before paying benefits to ensure that you do not breach your allowance.

There are circumstances where your tax-free cash entitlement or 'lump sum allowance' may be different.

More information is provided in our **SIPP member fact sheet – Taking benefits** and **SIPP member fact sheet – Lump sum allowances**, available on our website or request.

Is my income always taxed?

All pension income is normally treated as taxable (and declarable) in the UK and subject to UK income tax.

If you still live outside the UK then your income may instead be taxable (and declarable) in the country you are resident in for tax purposes. In that case you may be able to apply to HMRC in the UK for the income to be paid free of UK income tax. The exact position will depend on whether there is a double taxation treaty between the UK and that country and the terms of that treaty.

Where UK tax is payable, we deduct the tax we are told to by HMRC before paying your pension and account for this to HMRC (as an employer would do through payroll).

The rate of tax you pay is determined by the tax code we are issued by HMRC and the other income you have (if any) in the tax year. It is your responsibility to contact HMRC to either make sure the correct tax is deducted or to apply for the income to be paid free of UK income tax.

The more you draw, the more tax you will pay (particularly if you move into the higher income tax rate bands).

In some cases, if you are drawing income from funds that were allocated to you as a beneficiary of a deceased member (either of our SIPP or another scheme where you have subsequently transferred to us) no UK income tax will be due (depending on the circumstances). You may still, however, be liable to tax in the country you live in.

Do I have to access my Your Global SIPP?

No. However, if you die after you reach the age of 75 there will be tax to pay on the money paid to your beneficiaries on your death.

If I am seriously ill, can I take my fund as a lump sum?

If you are seriously ill and your doctor says that it is likely that you have less than a year to live then you may be able to take any funds in your SIPP that you have not yet started accessing ('uncrystallised funds') as a lump sum.

If you are under age 75, this will normally be tax-free in the UK (subject to an upper limit set by the tax rules). Payment of a serious ill-health lump sum may impact your future ability to take PCLS or an UFPLS, or if you die before age 75 limit the level of tax-free lump sums that can be paid on your death.

Please get in touch if you need more information on this option.

Can I change my mind?

You have the right to cancel the first time that you go into income drawdown. This right lasts 30 days.

At the time of print there is material uncertainty over whether the lump sum element of your benefits is part of those cancellation rights.

HMRC has recently announced that the lump sum cannot be returned under the tax rules (meaning that tax will become due unless an alternative pension is chosen by you within a set time limit). We will update our documentation when the position is settled upon. But as things currently stand, please be aware that there is uncertainty over whether your right to cancel is effectively enforceable (unless you delay drawing the lump sum part of your benefits until that cancellation period has run out). If you exercise your right to cancel you will need to return all income payments made back to your SIPP. If you buy a lifetime annuity, the insurance company will give you a similar right to cancel.

Death benefits under Your Global SIPP

What happens to my SIPP when I die?

When you die, any funds remaining in your SIPP are available to be distributed to your beneficiaries, either as a lump sum or (if an individual) they can in most cases instead use the funds to provide a future pension income for them. This could be either through flexi-access drawdown (and leaving the funds in a SIPP) or by buying an annuity from a UK insurance company.

If the beneficiary decides to leave the funds with us to provide a flexi-access drawdown pension then they will need to set up a SIPP with us to hold the funds. They can transfer out to another provider who can support the funds once in drawdown.

Questions and Answers (continued)

Death benefits under Your Global SIPP (continued)

What happens to my SIPP when I die? (continued)

We have full discretion on deciding how to distribute your SIPP funds after your death. However, you should complete our 'Nomination of death beneficiaries' form (and review this regularly) and we will take this into account when deciding on who your beneficiaries should be. The form is part of your SIPP application and can be changed at any time; a copy of our form is available on our website.

You can nominate more than one beneficiary.

A beneficiary does not have to be a relative. You can also leave to a registered charity or to a trust. We cannot advise you on either setting up a trust outside your SIPP to receive any lump sum payments or the validity of any existing trust.

If you have bought a lifetime annuity there will only be either a lump sum or ongoing income paid to you beneficiaries if this is provided for under the terms of the policy.

More information is provided in our **SIPP member fact sheet – Taking benefits**, available on our website or on request.

How are any benefits paid on my death taxed?

If you **die before the age of 75** then any payments to your beneficiaries are normally paid tax free in the UK.

In most cases we must distribute funds within two years of the point when we became aware of your death for the payment (or any ongoing income) to be UK tax-free.

Any lump sum paid on your death before age 75 is also subject to an upper cap called the 'lump sum death benefit allowance' (see the next question). If your allowance is used up then any lump sum paid beyond that point will be subject to income tax.

The 'lump sum and death benefit allowance' only applies to tax-free lump sums paid on death (and not funds allocated to provide a future drawdown pension or used to buy a beneficiary an annuity).

Where a beneficiary has opted to either buy an annuity or leave funds in a pension to support future income drawdown payments the tax-free status applies to all future payments in their lifetime, no matter when drawn or what age they are.

If you **die aged 75 or older** then any payments made to your beneficiaries (lump sum or future income) will be taxed in the UK at the recipient's marginal rates of income tax. If the beneficiary lives outside the UK the position may be different.

If a lump sum is paid to a trust (or other legal entities) a flat tax charge applies (currently 45%). Lump sums paid to a registered charity may be exempt from UK tax (depending on your circumstances).

What is the 'lump sum death benefit allowance'?

On 6th April 2024 an upper cap called the 'lump sum and death benefit allowance' was introduced.

This allowance is a lifetime personal limit on the amount of lump sums that can be paid tax-free in the UK from all pension schemes, both in your lifetime and on your

death, including any lump sum paid before age 75 in circumstances of serious ill-health.

For most people, their 'lump sum and death benefit allowance' will be £1,073,100.

If your allowance is used up any lump sum paid on your death above this cap will be subject to income tax in the UK in the same way as detailed above where you die after reaching age 75.

If you accessed benefits before 6th April 2024 (or used up any of your lifetime allowance under the old rules in place before that date) then part of your 'lump sum and death benefit allowance' will be deemed to have been used up (and possibly all of it).

It is the responsibility of the person dealing with your estate to check on your available 'lump sum and death benefit allowance' and report to HMRC where tax is due from the beneficiaries.

There are circumstances where your 'lump sum and death benefit allowance' may be different. More information is provided in our **SIPP member fact sheet - Lump sum allowances**, available on our website or request.

Will any distribution be subject to inheritance tax?

As any benefit is paid at our discretion then (as the law stands at the moment) any distribution will normally be free of UK inheritance tax. There are, however, exceptions and you should seek UK tax advice (particularly if you are in ill-health and are intending to make ongoing contributions to another UK pension scheme or if you are transferring funds from another pension scheme with different rules on death to our SIPP).

On 30th October 2024 the government announced that unused pension funds remaining on death would be brought within the scope of inheritance tax from 6th April 2027. The exact rules have not been finalised yet. Please bear this in mind as part of your retirement planning.

We cannot advise you on your inheritance tax position, either in the UK or in the overseas country you live in.

What happens to the assets of my SIPP when I die?

Where assets that are not easily sold are held in your SIPP we will not look to encash these immediately, and the assets will continue to be held until a decision is made concerning payment of benefits. Whether the assets are then sold will depend on the wishes of the beneficiary (or beneficiaries).

Other information

Who runs Your Global SIPP?

Pathlines Pensions UK ('Pathlines') is the scheme administrator and operator for HMRC and FCA purposes of Your Global SIPP (and the registered pension scheme it is held in). We are registered in England (No. 02966313) and regulated by the FCA (Firm Reference Number 463876).

Pathlines is also the trustee who act as bare trustee for the purposes of holding the assets under Your Global SIPP.

Questions and Answers (continued)

Other information (continued)

What are the terms and conditions that apply?

The Your Global SIPP terms and conditions set out our full terms and conditions for running your SIPP and govern our relationship with you. A copy is available on our website www.pathlines.co.uk, but if you have not seen a copy then please let us know and we will send you a copy.

What rules govern my Your Global SIPP?

Your Global SIPP is a product held within the same UK registered pension scheme, the LCS SIPP Trust.

The LCS SIPP Trust is governed by our SIPP trust deed and rules. If there is any discrepancy between these Key Features, the SIPP terms and conditions and the trust deed and rules, the trust deed and rules will take priority. These trust deed and rules are available on our website, or alternatively if you ask us we can provide you with a copy at any time.

All documentation reflects the conditions and requirements of the tax rules governing UK registered pension schemes.

When will I receive a valuation of my SIPP?

Every year we will send you a valuation of the investments held within your SIPP and a summary of transactions within your SIPP bank account. We will send your valuation on or around your SIPP anniversary date, which is each year after the date we accepted your SIPP application. For example, if we accept your SIPP application on 15th April 2024, the SIPP anniversary date will be 15th April 2025 and each subsequent years 15th April.

Your chosen investment firm may also provide you with a valuation of the assets held by them on behalf of your SIPP.

Any valuations we send you will be based on the latest information we hold and has been provided by your chosen investment firm. You can obtain a value of your SIPP online at any time based on the latest valuations we have.

For investments where an up-to-date valuation isn't available the value we provide may be the original cost or a subsequent valuation we have been provided with.

Is my Your Global SIPP covered by the Financial Services Compensation Scheme?

Yes, it will be. We are covered by the Financial Services Compensation Scheme ('FSCS'). If we are unable to meet our obligations to you, you may be eligible to make a claim for compensation under the FSCS. This is to a maximum of £85,000.

Investments made under your SIPP may or may not be covered by the FSCS. This is something you or your financial adviser need to check and consider before making a particular investment.

For UK bank deposits, the maximum claim that could be made by your SIPP is £85,000 (although this limit includes any other accounts that you have personally with the same banking group outside of your SIPP). Most regulated investments covered by the FSCS are also covered up to 100% of the first £85,000.

Please note that some investments may not be covered by the FSCS and different compensation limits may apply. Further information about compensation arrangements is available from the FSCS on their website www.fscs.org.uk or you can write to them at:

Financial Services Compensation Scheme

PO Box 300
Mitcheldean
GL17 1DY

Their contact telephone number is 0800 678 1100.

Important note: For investments established outside of the UK, jurisdictional compensation arrangements in respect of investments held within Your Global SIPP can and do vary. It is recommended that you check with your financial adviser as to what compensation arrangements apply, as these may be determined in part by where you are habitually resident and within which jurisdiction the product is situated.

What should I do now?

If you still wish to set up a Your Global SIPP please speak to your financial adviser who will be able to answer any questions and tell you how to proceed.

Can I contact you if I have any further questions?

Of course, you can contact us by email at support@pathlines.co.uk call us on +44 (0)330 137 3980 or write to us at:

Pathlines

Lakeside House, Shirwell Crescent
Furztown, Milton Keynes
MK4 1GA

What if I have a complaint?

It is very important to us that we do things right and meet your expectations. If you do have any cause to complain about our service, please contact us at:

The complaints team

Pathlines
Lakeside House, Shirwell Crescent
Furztown, Milton Keynes
MK4 1GA

By telephone on +44 (0)330 124 1505 or by email at complaints@pathlines.co.uk

Details of our complaint handling procedures is available on request and on our website at www.pathlines.com/media/1410/pathlines-complaints-procedure.pdf.

If your complaint is about the administration of your SIPP and you are not satisfied with our response, you may refer your complaint to the Pensions Ombudsman at:

The Pensions Ombudsman

10 South Colonnade
Canary Wharf
E14 4PU

Telephone 0800 917 4487

Website: www.pensions-ombudsman.org.uk

Questions and Answers (continued)

Other information (continued)

What if I have a complaint? (continued)

All other complaints may be referred to:

Financial Ombudsman Service

Exchange Tower
Harbour Exchange Square
London
E14 9SR

Telephone 0800 023 4567

Website: www.financial-ombudsman.org.uk

For free help and guidance regarding your pension, you can also contact:

Pension Wise at MoneyHelper

120 Holborn
London
EC1N 2TD

Telephone: +44 203 733 3595 (outside the UK) or
0800 011 3797 (in the UK)

Website: <https://moneyhelper.org.uk/pensionwise>

Are your calls recorded?

Telephone calls to us or from us are recorded for training, monitoring and fact verification purposes to ensure that we have an accurate record of what you tell us and what we tell you.

Client categorisation

Our regulator the FCA requires us to categorise our clients.

We treat all clients as retail clients, as defined by the FCA. By categorising you as a retail client you will benefit from the highest levels of consumer protection.

Law and language

The information contained within this document is based upon our interpretation and understanding of the current law within England & Wales and HMRC and FCA requirements, which may be subject to change at any time.

All of our literature and future communications to you will be in English.

Email instruction

We will accept instructions by email, but only where it is received from a pre-agreed email address. When emailing items to you we may also use encryption (a strong password) to protect your data. You will however remain liable for any misuse of the email address or passwords we share with you and any resultant loss or detriment incurred.

Data protection

We know how important privacy is to you, so we have created a Privacy Notice to provide you with a clear explanation of when, why and how we collect and use your personal data. A version of this notice can be obtained on our website: <https://www.pathlines.com/legal/privacy-notice/>.

Important notes

The information provided in this document is based on our understanding of current law and HMRC and FCA requirements, which may be subject to change in the future.