THE PREMIER TRUST

KEY FEATURES
of the Premier Trust SIPP
Quilter Cheviot Single Investment Manager

Please contact us if you would like this document in an alternative format.

This document provides a summary of the key points of the **Premier Trust – QC Single Investment**
This is an important document. You should keep it safe for future reference

Key features of the Premier Trust SIPP – QC

About the Premier Trust – QC

The Premier Trust is a self invested personal pension (SIPP). A SIPP is a type of registered pension scheme which is very flexible and allows you to influence where your funds are invested. The QC Single Investment SIPP is a part of the Premier Trust in which the member's whole SIPP fund is invested within a SIPP account with Quilter Cheviot (QC).

The Premier Trust offers you the maximum control and flexibility over:

- **Contributions** – any level up to HM Revenue & Customs thresholds with no requirement to make any contributions if you don't want to.
- **Investments** – various investment options available through your QC SIPP account.
- **Benefits** – all pension drawdown options available, including the option to phase your retirement if you wish.

The Premier Trust has been set up under irrevocable trust by a Trust Deed and Rules (a copy of which can be found on our website at www.dapco.co.uk). It has been accepted by HM Revenue & Customs as a registered pension scheme.

The Premier Trust is administered by DP Pensions Ltd. This means that DP Pensions Ltd provides the administration services for the Plan and any correspondence that you receive will be from DP Pensions Ltd. DP Pensions Ltd is authorised as Operator of the scheme and is regulated by the Financial Conduct Authority.

D A Phillips & Co Ltd is the Asset Trustee of the scheme and any investments purchased will be purchased in the name of D A Phillips & Co Ltd and the member. D A Phillips & Co Ltd is a bare trustee and its role is to hold the SIPP assets. It is not regulated by the Financial Conduct Authority.

About this document

This document provides you with the key features of the Premier Trust. For more information, please refer to your financial adviser, who will be able to advise you on all of the options available to you and identify which ones best match your needs.

This Information Booklet is based on our understanding of current legislation and HM Revenue & Customs (HMRC) practice. The purpose of this document is to provide general information on the subject, it should not be used as a substitute for advice. This booklet is issued by DP Pensions Ltd for use by our SIPP clients and their financial adviser and no responsibility to any third party is accepted if the information in this document is used for any other purpose. DP Pensions Ltd assumes no responsibility or liability for any errors or omissions in this booklet. The legislation and HMRC practice may change in the future.

The Financial Conduct Authority is the independent financial services regulator. It requires us, DP Pensions Ltd, to give you this important information to help you to decide whether our Premier Trust 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.

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Authorised and regulated by the Financial Conduct Authority (No 463171).

Key features of the Premier Trust SIPP – QC

Its Aims

To provide you with a means to save for your retirement in a tax efficient way.

To give you the option to pay one-off or regular contributions into your SIPP, taking advantage of the generous tax privileges available.

To allow you to transfer funds from other existing registered pension schemes into your SIPP.

To enable you to make your own investment decisions, with the help of your financial adviser or investment manager (if appropriate).

To give you the opportunity to invest in a wide range of investments within your QC investment account, to build up your pension fund.

To give you the flexibility to take your benefits when you choose (after the normal minimum pension age) and the ability to take them in stages through phased retirement.

To give you the option to take a tax-free lump sum, this is referred to as a pension commencement lump sum (PCLS) when you take your benefits and a choice of flexible incomes, which include drawing income from your SIPP without buying an annuity.

To give you the option to take uncrystallised funds pension lump sum payments from your SIPP.

To pay lump sums and/or pensions to your family and dependant(s) following your death.

Your commitment

To understand the features, benefits and risks of the Premier Trust to ensure that it will meet your needs and expectations. You should be satisfied that the Premier Trust is the most suitable product for you and that there is not another product that would better suit your needs.

To understand the charges that not only will be charged by DP Pensions Ltd as administrator of the SIPP but any additional charges that may be charged by any financial adviser and/or investment manager that you may appoint and any fund charges that may be incurred. These charges should be reviewed on a regular basis as part of your review as to whether The Premier Trust is the most suitable product for you.

To make at least one payment into your SIPP. This can be either a contribution or a transfer from another pension arrangement that you have. You do not have to make any further and/or regular payments.

With the help of your financial adviser if you have one, to review your contributions and investment strategy to ensure that your SIPP is on track to provide the level of benefits that you would like.

To appoint Quilter Cheviot to manage the investments of your SIPP.

To tell us when you want to commence taking benefits from your SIPP and then to tell us each year what benefits you wish to draw (subject to any HMRC limits).

To pay the SIPP charges set out in our Fee Schedule.

To provide us with all of the information necessary to administer your SIPP and notify us immediately of any relevant changes to your circumstances.

Risk Factors

The value of your SIPP and the benefits it provides are not guaranteed. They will depend on payments made into the SIPP, investment performance, charges deducted and financial conditions when you draw benefits.

There are several factors that could adversely affect the level of benefits available to you. These include:

- you stop or reduce your regular contributions,
- your investments do not grow as expected (investments can go down as well as up and you may not get back what you originally put in),
- you take your benefits earlier than anticipated,
- you take high benefit payments either as lump sums or income, which may not be tax efficient or sustainable. This could result in lower than anticipated lump sums and/or income in the future. It could even result in the fund running out.
- annuity rates are lower than anticipated.

The overall level of risk associated with your SIPP will depend on the risks associated with the investments you have selected.

Some investments could take longer to sell than others and the sale price may be lower than expected. This could affect your benefits.

Our charges, or those of intermediaries involved in your SIPP may increase in the future.

If you have a smaller SIPP or change investments frequently then its value may be disproportionately affected by the costs associated with administering it.

The tax benefits, as well as the laws and regulations which relate to SIPPs, could change to your disadvantage in the future.

Separate risks will apply to the investments held within your SIPP – in some cases a separate key features will apply to these investments which you are urged to read in addition to this key features.

The Premier Trust QC - Questions and answers

1. THE BASICS

What is the Premier Trust?

The Premier Trust is a self invested personal pension ('SIPP'), which is a type of registered pension scheme that enables you to control how your fund is invested. As with all registered pension schemes it is a long term investment, which is designed to provide you with a means of saving for your retirement. In addition to the significant tax advantages offered by registered pension schemes, you will also benefit from a wide range of investment opportunities.

What are the tax advantages?

If you are a UK resident, then your contributions benefit from tax relief at the highest marginal rate you pay. Your SIPP investments are not subject to capital gains or income tax. A tax-free lump sum payment is available when you take your benefits, either as a pension commencement lump sum or as the tax free element of an uncrystallised funds pension lump sum. Death benefits are usually Inheritance Tax free. Pension payments are subject to the deduction of tax under Pay As You Earn (PAYE). The amount of tax depends on your individual circumstances and may be subject to change in the future.

Who is eligible to join the Premier Trust?

Anyone can join our SIPP. You can join the SIPP even if you are a member of your employer's company pension scheme and you can contribute to both schemes. There is no minimum or maximum age. Children under the age of 18 can have a SIPP taken out for them by their parent or guardian. If you want to pay contributions to a SIPP then you will only receive tax relief on personal contributions up to age 75.

How do I set up my Premier Trust SIPP?

Your designated fund ('your Plan') is established by completing an Application Form. We are also required under anti-money laundering rules to formally identify you. We will need to see certified documents which confirm your name and address. Alternatively you can show these documents to your financial adviser who can provide us with a certificate which confirms he has seen them. We will then set up your Plan bank account. This account receives all incoming payments and pays out all benefits.

Who is the Trustee of the Premier Trust?

D A Phillips & Co Ltd is the Trustee of the SIPP. All investments are held by the Trustee and registered in the names of the Trustee and you. This ensures that you remain in full control of your Plan.

What are the charges?

Please refer to our Fee Schedule which details all of our charges and our fees for running your SIPP. We will normally deduct our fees directly from your Plan.

Is there a limit on my benefits?

There is no limit on the benefits that may be provided under your Premier Trust SIPP. However, when you take your benefits from your SIPP, the total value of all of your pension funds will be tested against your Lump Sum Allowance (LSA) and your Lump Sum and Death Benefit Allowance (LSDBA). Further information regarding these limits can be found in Section 4 – Member Benefits.

Would I be better off with a Stakeholder Pension or another pension scheme?

The Premier Trust is not a stakeholder pension. Stakeholder pensions are generally available and may meet your needs at least as well as the Premier Trust SIPP. Stakeholder pensions are relatively simple pension plans that must satisfy a number of minimum government standards, such as charges, minimum payment levels and terms and conditions.

You should be satisfied that the Premier Trust is the most suitable product for you and that there is not another product that would better suit your needs. You should regularly review your decision to determine whether the Premier Trust SIPP remains the most suitable product for you.

If you are in any doubt about the suitability of a SIPP, you should contact your adviser.

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2. CONTRIBUTIONS AND TRANSFERS

Who can pay contributions to the Premier Trust?

Contributions can be made by you personally. Contributions can also be paid by another person on your behalf, like your spouse, parent or grandparent. If you are employed then your employer can also pay contributions into your SIPP.

Please contact us if you or your Employer wish to make contributions to your SIPP after age 75.

How much can I pay to my SIPP as a personal contribution?

You can contribute any amount to your SIPP. However you will only receive tax relief on contributions up to a certain amount. If you are a UK resident then you will get tax relief on contributions up to the higher of:

- £3,600 per annum gross, and
- 100% of relevant UK earnings (subject to the annual allowance) each year.

The annual allowance is currently £60,000 (with effect from 6th April 2023). Depending on your circumstances a different level may apply. Further information regarding this can be found in the following sections.

How do I get tax relief on my personal contributions?

All personal contributions are paid net of basic rate income tax (currently 20%) and we will reclaim the basic rate tax relief from HM Revenue & Customs and add it to your Plan (this usually takes 7-11 weeks). If you are a higher or additional rate tax payer, then you can reclaim the extra tax relief through your personal tax return. Examples of basic rate tax relief are shown below:

Amount you pay	20% Tax relief claimed	Total amount in your SIPP
£800	£200	£1,000
£4,000	£1,000	£5,000
£48,000	£12,000	£60,000

How much can my employer pay to my SIPP as an employer contribution?

Your employer can also contribute to your SIPP and may do so regardless of whether you are making personal contributions. All employer contributions are paid gross. Your employer's contributions do not count towards the limit on which tax relief can be claimed. They will normally receive tax relief on them and you will normally not be taxed on them. However, the annual allowance does also apply to employer contributions (see below).

Do I have to pay contributions to my SIPP?

No, there is no requirement for you or any other party to pay contributions to your SIPP. If you set up regular contributions, then these can be reduced or stopped at any time without penalty.

What are my options for paying contributions?

You can pay a single contribution to your Plan at any time or you can set up a standing order to pay regular contributions.

What is the annual allowance for contributions?

The Annual Allowance is the maximum amount of contributions (personal and employer) that can be made to registered pension schemes each year which will receive tax relief. The Annual Allowance is currently £60,000.

You will exceed the annual allowance if, for any 'pension input period' the total of all contributions (paid by you, on your behalf and by your employer) to your registered pension schemes when added to the increase in benefits under any final salary scheme exceeds £60,000. The pension input period for the Premier Trust coincides with the tax year.

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Please note that the Money Purchase Annual Allowance rules restrict your annual allowance if you flexibly access your pension benefits. Details of this can be found in the Member Benefits section of this document or in our Information Booklet – Member Benefits. The Money Purchase Annual Allowance is currently £10,000.

What is the annual allowance taper?

If you have adjusted income of over £260,000 and your threshold income is more than £200,000 your annual allowance will be reduced by £1 for every £2 by which your adjusted income exceeds £260,000, subject to a maximum reduction of £50,000.

Please refer to our Tapered Annual Allowance Information Sheet for a detailed explanation and examples. We are not able to calculate an individuals tapered annual allowance and you should speak to your financial adviser and / or accountant.

Can I carry forward unused Annual Allowance from previous years?

Subject to having been a member of a registered pension scheme (even if you did not contribute anything), you can carry forward any unused Annual Allowance for a period of up to 3 years and make top-up contributions in later years. You can Carry Forward a maximum of the Annual Allowance for each of the previous three tax years, and this amount is reduced by the amount of the Annual Allowance you used during those years.

The carry forward of unused annual allowance is available for those subject to the annual allowance taper however the amount available will be based on the unused tapered annual allowance.

If the Money Purchase Annual Allowance rules apply to your SIPP then you will not be able to use Carry Forward.

What happens if I exceed the Annual Allowance?

If having used Carry Forward you still exceed the Annual Allowance then you will have to pay a tax charge on the excess. The tax charge is based on the marginal rate of tax relief received on the contribution and will be collected through your tax return.

What if I am entitled to Enhanced Protection or Fixed Protection?

If you applied for Enhanced Protection (for funds built up before 6th April 2006) or Fixed Protection before the 15th March 2023 and have had your application accepted as a certificate or reference number has been issued to you, you will be able to accrue new pension benefits from the 6th April 2023 without losing your protection. More details about Enhanced and Fixed Protection can be found later in the 'Member Benefits' section of this key features.

Can I transfer other pension schemes into my SIPP?

You can transfer benefits from other registered pension schemes that you are a member of into your SIPP. However we do not accept transfers from Defined Benefit schemes, Qualifying Recognised Overseas Pension Schemes (QROPS) or schemes that contain Guaranteed Minimum Pensions (GMP's). We will only accept transfers from schemes with Guaranteed Annuity Rates (GAR's) if a positive recommendation to transfer has been provided by an FCA regulated financial adviser.

You can transfer assets other than cash into your SIPP. This is known as an 'in specie' transfer.

You can also transfer funds out of your SIPP to other registered pension schemes. The transfer can be as cash or 'in specie'.

3. INVESTMENTS

What can my SIPP invest in?

As a member of the Premier Trust, you will have a wide range of investment opportunities. However, under the SIPP all of your funds will be invested in an account with QC. If you wish to invest in other investments we will provide you with a new Key Features document and our normal Premier Trust Charges.

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Are there restrictions on what my SIPP can invest in?

To benefit from the reduced fee basis available in the QC Single Investment SIPP your whole SIPP fund will be invested in funds through Quilter Cheviot Investment Management.

We reserve the right to sell any investment held in your Plan at our sole discretion if we believe that continuing to hold it could jeopardise the registration of your SIPP or lead to a tax charge.

How can I get a valuation of my SIPP?

We will send you an annual valuation of your Premier Trust SIPP. You can also ask us to provide valuations of your SIPP at any time.

4. MEMBER BENEFITS

Is there a limit on my benefits?

The benefits available from your SIPP will depend on your age and the size of your fund at the time you take them. The total value of all of your pension funds will be tested against your Lump Sum Allowance (LSA) and your Lump Sum and Death Benefit Allowance (LSDBA).

The maximum Lump Sum Allowance (known as the pension commencement lump sum) for an individual, with no form of protection will be limited to £268,275 (25% of £1,073,100). The maximum Lump Sum and Death Benefit Allowance for an individual with no form of protection will be limited to £1,073,100.

An individual with any form of Enhanced Protection, Primary Protection, Fixed Protection or Individual Protection will have a Lump Sum Allowance and Lump Sum and Death Benefit Allowance based on their Protection figure. Further information with regards to this can be found in our SIPP Information Booklet – Member Benefits.

When can I take my benefits?

You can start to take benefits from your SIPP (known as 'crystallisation') at any time from age 55. There is no requirement for you to stop working or 'retire' when you take your benefits. You may be able to take your benefits earlier than age 55 in one of the following circumstances:

- You become seriously ill, or
- Your SIPP is made up of funds transferred from an existing pension with a lower pension age provided that the transfer to your SIPP complied with certain HMRC requirements.

The normal minimum pension age (the age which you can start taking benefits from your SIPP) will be increasing from 55 to 57 with effect from 6th April 2028.

Can I take my benefits in stages?

Yes, you can crystallise a percentage of your SIPP and take benefits from this crystallised fund leaving the rest uncrystallised. This means that instead of taking your benefits in one go, you could take your benefits in stages by crystallising portions of your fund so as to suit your own personal requirements.

What are my benefit options?

The options available are:

- A pension commencement lump sum and a pension income. The income can be taken either as Flexi Access Drawdown, Capped Drawdown (subject to certain criteria outlined later in this section) or an Annuity (further information regarding this can be found later on in this document); or
- An Uncrystallised Funds Pension Lump Sum

Can I get help with understanding my options?

Taking your benefits is a complex process, which can lead to irreversible decisions. Taking large benefit payments from your SIPP may not be tax efficient or sustainable, especially if you are reliant on your pension to support you for the rest of your life. It is therefore essential that you have all of the information necessary to make an informed decision on what is best for you.

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There are two main places that you can go to get help with understanding your options. These are:

- A financial adviser who is regulated by the Financial Conduct Authority
- Pension Wise, which is a Government service that offers free impartial guidance on your benefit options.

We will provide more details on these options when you come to take your benefits or on request.

What is the Pension Commencement Lump Sum?

A Pension Commencement Lump Sum (sometimes called Tax Free Cash) is a tax-free payment that you can take at the time you crystallise your benefits. The maximum amount you can take is the lower of:

1) Your available Lump Sum Allowance
2) Your available Lump Sum and Death Benefit Allowance
3) Your applicable amount (25% of the amount you are crystallising)

What is Flexi Access Drawdown?

Flexi Access Drawdown (FAD) is a drawdown option that became available on the 6th April 2015. It allows you to continue to invest your Plan while drawing an income from it. There is no maximum limit on the amount of income that you can draw up to and including taking the whole FAD fund. The minimum is nil, meaning that you do not have to draw any pension if you do not wish to. All FAD payments are taxed as earned income.

You can draw your pension income through regular payments (either monthly, quarterly, half yearly or annually). You can also take one-off payments as and when needed and you can change the level you are taking at any time.

Taking an income under FAD will trigger the Money Purchase Annual Allowance rules (outlined later in this section) which will reduce your annual allowance from £60,000 to £10,000 per annum for money purchase savings.

What is Capped Drawdown?

Capped drawdown is the drawdown option that existed prior to the 6th April 2015. Like FAD, it allows you to continue to invest your Plan while drawing an income from it, but unlike FAD it is limited to a maximum annual amount set by HMRC. The minimum is nil, meaning that you do not have to draw any pension if you do not wish to. You can take any level of pension up to the maximum amount each year and can change the level you receive at any time. All Capped Drawdown payments are taxed as earned income.

Capped drawdown is not an option for members who crystallise their benefits for the first time after 6th April 2015. Members who had designated funds to capped drawdown prior to 6th April 2015 can continue with this option as long as they have not triggered the Money Purchase Annual Allowance rules. Taking more income than the current annual maximum calculated for your Capped Drawdown fund will result in the fund being automatically converted to a Flexi Access Drawdown fund and would trigger the money purchase annual allowance rules.

You can draw your pension income through regular payments (either monthly, quarterly, half yearly or annually). You can also take one-off payments as and when needed.

The maximum pension that you can take is 150% of the relevant Government Actuary Department (GAD) rate. This rate is determined by your age and returns from Government securities. We will apply this rate to the value of your crystallised fund at the time it is first used to provide pension drawdown and at each review.

We will review your maximum pension every three years until you reach age 75. From that point we will review your maximum pension annually.

What is a Lifetime Annuity?

A lifetime annuity is an insurance company product which guarantees to pay you a regular income for the rest of your life. The level of pension that you receive under a lifetime annuity will depend on the size of your fund, your age and annuity rates at the time you purchase it. If you want your pension to continue to your spouse or other dependants on your death, for your pension to increase, or for a guarantee period to apply then this will reduce the initial pension that you receive. All annuity payments are taxed as earned income.

If you choose to have your pension paid in this way then we will close your SIPP and transfer its cash value to the insurance company of your choice. As a result, you will cease to have any involvement in the investment of your pension fund, which may be the right option if income security is an important factor.

When can I buy a lifetime annuity?

You can buy an annuity at any time from your 55th Birthday. You can crystallise your benefits and purchase an annuity immediately, or you can draw an income through capped or flexi access drawdown and then purchase an annuity at a later time.

You can also buy the annuity all at once or in stages using cash from part of your SIPP.

What is an Uncrystallised Funds Pension Lump Sum?

An Uncrystallised Funds Pension Lump Sum (UFPLS) is an alternative way of accessing your pension benefits which became available from the 6th April 2015. It can only be taken from funds not already in drawdown subject to available allowances. It allows you to take a one off payment or series of payments whilst keeping the remainder of your pension uncrystallised.

You can normally take an UFPLS at any time from age 55 (or earlier if you meet the ill health conditions) and like drawdown it is not necessary to stop working or 'retire' when you take your benefits.

When you take an UFPLS payment, 25% of the payment will be tax free (like a PCLS) and 75% of the payment will be taxed as pension income at your marginal rate of income tax.

Taking an UFPLS payment will trigger the Money Purchase Annual Allowance rules (outlined below) which will reduce your annual allowance from £60,000 to £10,000 per annum for money purchase savings.

What are the Money Purchase Annual Allowance Rules (MPAA)?

In certain circumstances your annual allowance may be reduced, these circumstances include taking an income payment under flexi access drawdown, taking an Uncrystallised Funds Pension Lump Sum, taking a stand alone lump sum with Primary Protection, taking income under a flexible annuity and exceeding the maximum drawdown amount under Capped Drawdown. When this happens, you are said to have triggered the Money Purchase Annual Allowance under HMRC rules. This reduces your annual allowance from £60,000 to £10,000 per annum for money purchase schemes (details of the annual allowance can be found in the contributions section). Money Purchase schemes, also known as defined contribution schemes, are ones which do not guarantee a level of pension in retirement. The amount available to you when you retire will depend on the value of your accumulated fund from contributions and transfers received into your Plan and investment growth over the years. Your SIPP is a money purchase scheme. Special rules apply to 'final salary' schemes. The MPAA rules will apply from the day after the trigger event occurred. The MPAA rules also prohibit the ability to carry forward any unused annual allowance.

What is the lifetime allowance?

The Lifetime Allowance ceased to exist on the 6th April 2024. Previously when benefits were taken from a pension fund (a benefit crystallisation event) they were tested against the Lifetime Allowance and the growth in any crystallised funds as well as any uncrystallised funds were also tested when you reached age 75. The Lifetime Allowance has been replaced with two new allowances – the Lump Sum Allowance (LSA) and the Lump Sum and Death Benefit Allowance (LSDBA).

If you take benefits from your pension fund after the 6th April 2024 we will test the value of these benefits against your LSA and LSDBA.

If you have taken benefits from your pension fund before the 6th April 2024 and wish to take more benefits after the 6th April 2024 we will use a standard formula provided by HMRC to convert the Lifetime Allowance percentage figure into a Lump Sum Allowance and Lump Sum and Death Benefit Allowance remaining figure.

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What is the Lump Sum Allowance?

The Lump Sum Allowance (known as the pension commencement lump sum) is the maximum tax free lump sum payment that you can receive from all pension arrangements. For an individual with no form of protection the Lump Sum Allowance is currently set at £268,275 (25% of £1,073,100).

What if the value of my SIPP is in excess of the Lump Sum Allowance

It is not possible for the SIPP to pay a tax free lump sum in excess of the Lump Sum Allowance. If the size of your pension fund is in excess of your available Lump Sum Allowance any excess will be moved into your drawdown pot and any pension payments from this pot will be taxed at your marginal rate of income tax.

What is the Lump Sum and Death Benefit Allowance?

It is a new allowance which all authorised lump sums and lump sum death benefits are tested against. For an individual with no form of protection the Lump Sum and Death Benefit Allowance is currently set at £1,073,100.

At a relevant benefit crystallisation event, on death or on the payment of a serious ill health lump sum the amounts paid out will be tested against the Lump Sum and Death Benefit Allowance.

What if the value of my SIPP is in excess of the Lump Sum and Death Benefit Allowance

Any lump sum payments from the SIPP on death before age 75 which are in excess of the Lump Sum and Death Benefit Allowance will be taxed at the recipient's marginal rate of income tax.

What if I have Protection?

If you have tax free cash protection, Enhanced, Primary, Fixed or Individual protection you will have an entitlement to a higher tax free lump sum.

- If you have enhanced protection with protected tax free cash the tax free lump sum amount will be capped at the lower of the protected percentage applied to your fund value at crystallisation or the protected percentage applied to your fund value at 5th April 2023. An example is shown below.
- If you have enhanced protection without protected tax free cash the tax free lump sum will be capped at 25% of £1.5 million (£375,000).
- If you have fixed protection the tax free lump sum will be capped at 25% of the value of the fixed protection limit. For example if you have fixed protection 2012, which gives a lifetime allowance of £1.8 million, the maximum tax free lump sum will be £450,000 (25% of £1.8 million).

Example of enhanced protection with protected tax free cash

A client has Enhanced Protection and their protection certificate shows that their protected tax free cash percentage is 27%.

On the 5th April 2023 their fund is valued at £2.5 million.

If they take their benefits from their SIPP on 5th April 2023 the maximum tax free cash that they can take is £675,000 (27% of £2.5 million).

If they decide to take their benefits in the next tax year for example 10th July 2023 then the new calculation applies. The fund value on the 10th July 2023 is £3 million however although the fund value has increased the maximum tax free lump sum remains £675,000 (27% of £2.5 million) not £810,000 (27% of £3 million).

What payments will be deducted from my Lump Sum Allowance?

The following payments will be deducted from your Lump Sum Allowance:

- Payment of a tax free lump sum referred to as a pension commencement lump sum
- The non taxable amount of an Uncrystallised Funds Pension Lump Sum (UFPLS)

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What payments will be deducted from my Lump Sum and Death Benefit Allowance?

The following payments will be deducted from your Lump Sum and Death Benefit Allowance:

- Any pension commencement lump sum paid– the amount of the tax free lump sum paid
- The total non taxable amount paid of a stand alone lump sum
- The non taxable amount paid of an Uncrystallised Funds Pension Lump Sum (UFPLS)
- The total of any serious ill health lump sums paid
- The total of any Uncrystallised Lump Sum Death Benefits paid
- The total of any Drawdown Lump Sum Death Benefits paid

Can I protect my pension savings?

You had the option following the introduction of the Lifetime Allowance on the 6th April 2006 to apply for Enhanced and/or Primary Protection. The Government also introduced a number of other Fixed Protections:

- Fixed Protection 2012, which locked your lifetime allowance at £1.8 million (so that it did not reduce to £1.5 million on the 6th April 2012).
- Fixed Protection 2014 which locked your lifetime allowance at £1.5 million (so that it did not reduce to £1.25 million on the 6th April 2014).
- Fixed Protection 2016 which locked your lifetime allowance at £1.25 million (so that it did not reduce to £1 million on the 6th April 2016).

Prior to the 6th April 2023 if you had Enhanced Protection or Fixed Protection and made a contribution to a registered pension scheme the protection would be broken and lost. After the 6th April 2023 as long as you have a valid Enhanced Protection certificate or you have a Fixed Protection certificate which you had applied for before the 15th March 2023 and have had your application accepted because a certificate or reference number has been issued to you, you are able to accrue new pension benefits (make contributions) from the 6th April 2023 without losing your protection.

The Government also introduced two other forms of protection which allowed Individuals to continue to accrue pension benefits (make contributions) without the loss of their personalised lifetime allowance:

- Individual Protection 2014 – if you had more than £1.25 million of private pension accumulated on 5th April 2014 you could have applied for Individual Protection. It gave you a protected lifetime allowance equal to the value of your pension savings on 5th April 2014 subject to a maximum protection of £1.5 million.
- Individual Protection 2016 - If you had more than £1 million of private pension accumulated on 5th April 2016 you could have applied for Individual Protection 2016, provided that you did not have Primary protection or Individual Protection 2014. Individual Protection 2016 gave you a protected lifetime allowance equal to the value of your pension savings on 5th April 2016 subject to a maximum protection of £1.25 million. If you wish to rely on Individual Protection 2016 the deadline for application is 5th April 2025.

If you have a valid Primary Protection certificate you have always had the option of continuing to contribute to registered pension schemes.

For any of the Protections detailed if your application had been successful you would have been issued with a certificate from HM Revenue & Customs. These protections protected your pension funds from the Lifetime Allowance tax charges that could have applied. With effect from the 6th April 2024 the lifetime allowance was abolished and all the protections listed now give you a personalised Lump Sum Allowance and Lump Sum and Death Benefit Allowance.

5. DEATH BENEFITS

What death benefits are available from my SIPP?

The full value of your Plan will be used to provide lump sum and/or pension benefits to your spouse, civil partner and other beneficiaries. The Trustee of the SIPP has discretion to select who will receive the benefits, but will take account of any beneficiaries nominated by you in the Expression of Wish section of your SIPP Application Form or subsequently. You can complete a new Expression of Wish at any time.

Your beneficiaries can take their benefits as a lump sum. Lump sum payments with effect from 6th April 2024 will be tested against the new Lump Sum and Death Benefit Allowance. If you were under the age of 75 on death, then the lump sum death benefit will be tax free providing that payment is made within 2 years of your death and is within your Lump Sum and Death Benefit Allowance, otherwise it will be taxed at the beneficiaries marginal rate of income tax. If you were over the age of 75 on death, then the lump sum is taxable at the beneficiaries marginal rate of income tax.

However, if a deceased member had crystallised funds before the 6th April 2024 and died under the age of 75 after the 6th April 2024, these crystallised funds will not be tested against the Lump Sum and Death Benefit Allowance.

Your dependants and nominated beneficiaries also have the right to take their benefits as a pension. Each beneficiary can take their pension through an annuity or Flexi Access Drawdown. If you were under the age of 75 on death, pension payments to a beneficiary will be income tax free if designated within 2 years, otherwise they will be taxed at the recipient's marginal rate. If you were over 75 on death, then any pension payments will be taxed at the recipient's marginal rate.

What happens if I die after I have purchased a Lifetime Annuity?

If you had purchased a Lifetime Annuity then any payments to your spouse and/or dependants would depend on the terms of that Annuity. If you provided for a spouse/dependants pension then this would be paid to them for their life. If you die shortly after purchasing the Annuity then payments would continue for any guaranteed period specified at the time of purchase.

6. FURTHER INFORMATION

Can I change my mind?

Yes, you have a 30 day cancellation period within which you can change your mind about setting up your SIPP. If you cancel your SIPP we will return the full value of your plan. We will make no charges. Any SIPP funds received during the cancellation period will automatically be sent to your SIPP account with Quilter Cheviot Investment Management and this will not affect your right to cancel. However if you subsequently decide to cancel the SIPP then the amount returned may be less than has been paid in as a result of movements in the price of any investments made and charges levied by a third party.

We will send you a cancellation notice as soon as we have opened your SIPP. If you complete and return the notice within the cancellation period then we will cancel your SIPP.

If your SIPP has received a transfer from another registered pension scheme then we will request that the transferring scheme takes the remaining value back. If it does not accept the transfer, then you will need to arrange for another pension scheme to take it.

Your right to change your mind also applies to any additional transfers received.

Can I change my mind when electing to take benefits?

Unless you have chosen UFPLS (see our SIPP Information Booklet – Member Benefits) we will send you a cancellation notice. You will have 30 calendar days during which you have the right to change your mind and send the cancellation notice, along with any pension commencement lump sum and income you may have received back to DP Pensions Limited. Your election to take income withdrawals will then be cancelled.

If you ask us to re-invest the returned pension lump sum and/or income in the same investments, you may receive less units/shares because of transaction costs or upward movements in prices.

If any monies have already been disinvested in order to pay future income, you may also receive less units/shares if we are instructed to re-invest such monies. If you choose to cancel your election to take income withdrawals this will not affect any instructions you send us to take income withdrawals in the future.

What should I do if I have a complaint?

If you are not satisfied with the level of service that you have received, then please write to: Managing Director, DP Pensions Limited, Bridewell House, Bridewell Lane, Tenterden Kent TN30 6FA

The Premier Trust QC - Questions and answers

If your complaint is not resolved to your satisfaction, then you can refer it to:

Financial Ombudsman Service, Exchange Tower, London, E14 9SR. Tel: 0800 023 4567 or 0300 123 9123
www.financial-ombudsman.org.uk

The Pensions Ombudsman Service, 10 South Colonnade, Canary Wharf, London, E14 4PU. Tel 0800 917 4487
www.pensions-ombudsman.org.uk

Can I claim compensation?

The Premier Trust is covered by the Financial Services Compensation Scheme, which was set up to deal with compensation if firms are unable to meet claims made against them. Your entitlement would depend on the circumstances of your claim.

About us

The Premier Trust SIPP is administered by DP Pensions Ltd. DP Pensions Ltd is authorised as Operator of the scheme and is regulated by the Financial Conduct Authority. D A Phillips & Co Ltd is the Asset Trustee of the scheme and is not regulated by the Financial Conduct Authority.

Important Notice

The information provided in this Key Features is a summary of our understanding of current law and HM Revenue & Customs practice at the date the document was prepared. Please note that current laws may change in the future.

The Premier Trust is administered by DP Pensions Ltd.
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Fax: 01580 766 444
Email: enquiries@dapco.co.uk
Website: www.dapco.co.uk

DP Pensions Ltd is registered in England at Bridewell House, Bridewell Lane, Tenterden, Kent TN30 6FA. Registered No. 4622475. DP Pensions Ltd is authorised and regulated by the Financial Conduct Authority (463171).

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