THE INSPIRE SIPP
KEY FEATURES

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SUMMARY

The Inspire SIPP is a Self-Invested Personal Pension (SIPP) that is specifically designed for individuals in the UK who are working alongside a stockbroker or investment manager to formulate their own investment decisions within their pension; and are using one broker or platform only. SIPPS are designed for people who want to manage their own fund by dealing with and switching their investments when they want.

A SIPP is a pension "wrapper" that holds investments until the Member retires and starts to draw a retirement income. It is a type of personal pension and works in a similar way to a standard personal pension. The main difference is that the Member has more flexibility over the investments chosen within a SIPP.

With standard personal pension schemes, the Member's investments are managed within the pooled fund that has been chosen. A SIPP gives the Member the freedom to choose and manage their own investments from a wide range of different asset types. The SIPP is taken out through an investment provider or platform at outset and cannot be transferred to an alternative provider/platform at a later date.

A SIPP offers the flexibility to pay contributions at whatever level the Member wishes within the limits prescribed by HM Revenue & Customs (HMRC). There is no contractual minimum contribution. The Inspire SIPP is also designed to take full advantage of the pension flexibility rules introduced in April 2015, which allow individuals to flexibly access their pension savings.

This document explains the key features of the Inspire SIPP. The applicant should read it carefully, in conjunction with the Application Form, the Terms and Conditions and the Investment Guidelines prior to applying for membership of the Scheme. The applicant should also seek advice from their Financial Adviser.

It may be that, due to the applicant's residence or domicile, the applicant is subject to varying tax provisions. If the applicant is in any doubt about the tax treatment of the Inspire SIPP or its benefits, the applicant should seek advice from a qualified tax expert.

IFGL Pensions is a trading name of IFG Pensions Limited. The generic term IFGL Pensions is used throughout this document as the context requires.

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INTRODUCTION

A 'Self-Invested Personal Pension' or SIPP is a personal pension scheme where investment decisions are taken by the Member after taking independent advice from a suitably qualified and regulated Financial or Investment Adviser. The Inspire SIPP is a pension product established under and governed by the MW SIPP 2 Trust Deed and Rules and registered with HMRC as a Registered Pension Scheme under Chapter 4 of the UK Finance Act 2004 (HMRC Pension Scheme Tax Reference (PSTR) number 00623783RL).

The Financial Conduct Authority (FCA) is a financial services regulator. It requires us, IFGL Pensions, to give you this important information to help you to decide whether our Inspire 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.

THE PARTIES

Scheme Provider and Scheme Administrator

IFGL Pensions
As Scheme Provider, IFGL Pensions is successor to the original SIPP provider, authorised to establish a personal pension scheme under the Financial Services and Markets Act 2000. As Scheme Administrator, IFGL Pensions is also responsible for the day-to-day operation and administration of the SIPP and is authorised and regulated by the FCA.

Trustee

MW SIPP Trustees Limited
The Trustee is the legal owner of the assets held within the SIPP for the benefit of the Member. The Trustee has a limited function and acts on the instructions or directions of the Scheme Administrator.

Member

An applicant becomes a Member once their formal application for membership of the SIPP has been accepted by the Scheme Administrator. The Member accepts that the sole purpose of the SIPP is to provide benefits in retirement, be that in the form of annuities, income withdrawals or lump sum payments as detailed in the governing provisions and Rules of the MW SIPP 2Trust.

Financial Adviser

Members may appoint their own suitably qualified and regulated Independent Financial Adviser to advise them on financial matters relating to the SIPP and their financial affairs generally. Neither the Trustee, Scheme Administrator nor Scheme Provider will provide any advice to the Member be it financial, legal, tax, investment or pension transfer advice, and they are not authorised to do so. The Scheme Administrator will act on the instructions of Member's Financial Adviser if so mandated.

Investment Adviser

Members are responsible for their own investment decisions and will appoint a suitably qualified and regulated independent Investment Adviser or stockbroker to assist them in this respect. The Member's Investment Adviser will guide the Member to make investments that match their investment risk profile and that are both permissible under the Rules of the SIPP and acceptable to the FCA. Neither the Trustee nor Scheme Administrator will make any investment recommendations and nor are they authorised to give investment advice.

Investment Manager

The Investment Manager or stockbroker is appointed by the Member and approved by the Trustee to carry out the instructions of the Members or their Advisers and is responsible for managing the assets within the SIPP. Members may nominate an Investment Manager to act on an advisory or discretionary basis and, if suitably licensed and regulated, the Trustee will appoint the Member's nominated Investment Manager. The Investment Manager or stockbroker must use one broker or platform only.

Custodian

This is the financial institution responsible for holding and safeguarding the Member's SIPP assets, which are invested in the name of the Trustee. For example, this could be a bank or investment bank.

SIPP Banker

This is the retail banking institution with whom MW SIPP Trustee cash is held in a pooled account. Any cash held by MW SIPP Trustees, will be protected by being held on trust in accordance with the Scheme Rules, and not as Client Money.

PRODUCT OBJECTIVES

An Inspire SIPP aims to achieve the following:

- It helps people save for their retirement in a tax-efficient way. This is achieved by paying in contributions, or transferring in other pension schemes.
- It gives the member the freedom to invest their pension savings in a wide range of investments. The member is not restricted to an inhouse default fund, but is free to choose where to invest and how much risk to take.
- It provides the member with an income and the potential to take a tax-free lump sum and other lump sum payments when they retire.
- It provides a method of passing on pension savings to beneficiaries on death, which will normally be free from inheritance tax.

A Member cannot tell in advance exactly how much pension they will receive because it depends on how much is paid in, how well the investments perform and what charges are payable.

Considering a transfer to a SIPP, whether to make additional contributions and deciding on the options available on retirement are all complex questions that require financial planning. It is strongly recommended that Members obtain suitable independent financial advice before taking these decisions.

YOUR COMMITMENT

By selecting to establish a SIPP you commit to the following:

- You agree to make at least one payment into your SIPP. This payment could be a transfer from an existing pension you hold or a contribution from you or your employer.
- You must be prepared to keep your money invested and not have access to it, until at least the Statutory Minimum Pension Age.
- You are responsible for selecting an income level suitable for you, using one of our pension decumulation products.
- You and your professional adviser will regularly review your investment strategy and the amount you pay.
- You and your stockbroker or Investment Manager will determine the most appropriate investment strategy for you.
- You will regularly review your income level and whether to continue taking income at that level.
- You accept our Terms and Conditions and pay the charges set out in our Fee Schedule.
- You agree to notify us of any changes to your personal circumstances that might affect your eligibility to take benefits from your SIPP.
- You agree to keep 1.5% of the plan value held in cash on an ongoing basis (minimum cap of £2,000 and maximum cap of £8,000).

RISK FACTORS

Please consider the following the risks associated with our SIPP. The SIPP is provided by IFGL Pensions on an execution-only basis, and we recommend you speak to a suitably qualified professional adviser regarding the suitability of our SIPP or investments.

Applying for a SIPP

- If you apply for a SIPP and change your mind within 30 days, you can cancel your SIPP but you may get back less than you paid in. Further information is available in our Terms and Conditions.

Contributions and transfers into a SIPP

- If you choose to transfer your pension funds into a SIPP in cash you may not get the benefit of investment increases whilst the transfer is being processed.
- If you transfer your pension funds into your SIPP from another registered pension scheme, you may give up valuable pension rights or guarantees that we cannot match.
- Decisions you make in relation to payments into your SIPP, could affect the level of benefits you receive at retirement.

Taking benefits from your SIPP

- The value of your SIPP and the benefits provided are not guaranteed. They will depend on several factors such as future investment performance, charges deducted, annuity rates and interest rates at the time you take benefits.
- If you take your pension income earlier than originally intended, the amount you receive could be less than expected due to the value of the SIPP at the time.
- Higher income payments increase the chance that your income payments will reduce in the future, and your SIPP runs out of funds. The pension pots you build over your working life are designed to provide you with an income during your retirement; you should therefore consider carefully how much you withdraw each year as you may outlive your pension savings.
- It may take time to sell an investment. If, a delay occurs, this may affect your retirement planning, as the money to pay your required benefits may not be available when you need.
- The income you take from your SIPP may not be sustainable, particularly if investment returns are low.
- If you have a small SIPP and no other assets or income to fall back on, the financial risks may be greater.
- Income withdrawals are subject to income tax at your marginal rate.
- Lump sum payments to beneficiaries available from your pension after you reach 75 are subject to tax charges.
- Future changes to the tax rules could affect tax relief on contributions, the taxation of your investments and the taxation of your benefits when you come to take them.

SIPP investments

- The value of your investment can go down as well as up, and you may not get back the amount you paid in.
- If you have a small SIPP and the returns on your investment do not cover the level of charges, the value of your SIPP may reduce over time.
- Any foreign investments will be affected by changes in the rate of currency exchange.
- The illustration you receive will give you an indication of what you might get back from your SIPP. The figures quoted are based on several assumptions and are not guaranteed. Your benefits could be more or less than the amount provided in the illustration.
- Depending on where you invest, your investment may not have protection under the Financial Services Compensation Scheme (FSCS).
- Different types of investment have different risks. Please speak to a financial adviser if you require further information on your investment choices.

QUESTIONS AND ANSWERS

Can I have an Inspire SIPP?
You can have an Inspire SIPP with us if you are resident inside the UK and meet our other application criteria.

Who can pay into my SIPP?
You can make contributions into your SIPP and we can accept contributions from an employer too. It is important to note that only personal contributions made by UK residents or those under 75 years of age may be eligible for tax relief. Tax relief on member contributions comprises a payment by the Government based on an individual's UK tax rate. The basic rate of tax relief is credited directly the pension and reclaimed by IFGL. Higher and additional rate taxpayers may need to take individual action in order to reclaim the further tax relief they may be entitled to (normally via a self-assessment tax return, or by direct liaison with HMRC).

We can accept either regular or single (ad hoc) contributions.

How can I pay into my SIPP?
Regular contributions must be paid by standing order. We can accept cheques, or bank credits for single contributions. Any request to make in-specie contributions by shares or other investments can be considered on a case by case basis.

What is the maximum I can pay into my SIPP?
The maximum you can pay into a SIPP and benefit from tax relief is limited by the annual allowance. You must have UK earnings of at least the annual allowance limit to contribute the maximum and benefit from tax relief. Contributions paid above a Member's maximum allowance, may incur a tax charge.

The annual allowance limit includes both personal and employer contributions. Employer contributions are not limited by salary but for corporation tax relief to apply must meet the HMRC "Wholly and exclusively" rule - this means at a reasonable level for the individual concerned.

The Inspire SIPP is designed for UK residents who usually are UK residents for tax purposes. This means that tax relief will normally be available.

Members may also be able to **carry forward** any unused annual allowance from the three previous tax years.

Can I pay into my SIPP if I am entitled to Enhanced Protection or one of the Fixed Protections?
If you are registered with HMRC for enhanced protection (for pension rights built up before 6 April 2006), or one of the types of Fixed Protection before 15 March 2023, you will not lose this is if you pay into your SIPP.

Can I transfer my existing pension into my SIPP?
Yes, you can transfer from any UK registered pension scheme into your SIPP. It is important to be aware of some key factors when considering a pension transfer:

You (or your adviser if they are involved) will be responsible for arranging the transfer. It may take some time for us to receive the transfer payment from your existing provider.

Transferring out of a Defined Benefit pension scheme means giving up a valuable guaranteed pension or safeguarded benefits. If you are thinking of transferring out a Defined Benefit Pension, you will first usually need to take regulated financial advice. If the value of the pension is worth £30,000 or more, advice needs to be given by a suitably qualified Pension Transfer Specialist who must make a recommendation whether the transfer is right for you.

You are not allowed to transfer most public sector schemes into a SIPP or other Defined Contribution pension scheme.

You can transfer a pension into a SIPP which is already in drawdown. If the pension is in capped drawdown, the original maximum income limit will continue to apply after the transfer is completed, but you have the option to switch to Flexi-Access Drawdown.

It is not permissible to partially transfer to us a pension which is fully in drawdown.

As a SIPP operator, we are obliged by the FCA to conduct our business with due skill, care and due diligence. If we believe that a transfer of an existing pension is likely to provide a poor outcome for you, we reserve the right to refuse the transfer.

Investments

What can I invest in?

You can invest in a wide range of investments including shares, funds, investment trusts, ETFs (exchange traded funds), bonds and gilts.

For more information, see the Investment Guidelines booklet which can be downloaded from our website.

How easy is it for me to change my investment allocation?

Investments can be bought and sold easily, using a dealing instruction which is submitted to our investment administration team. You should take into account that changes will take time to process and apply, and that a pension is a long-term savings vehicle.

Do I pay tax on any dividends or gains within my investment portfolio?

No, you don't need to pay UK tax on any dividends or capital gains.

Can you advise or help with investment selection?

No, IFGL Pensions is not authorised to give advice about investment selection. The Inspire SIPP is designed for members who want to work with a stockbroker or Investment Manager.

How do I get a SIPP valuation?

Email or phone us and we will provide you with a current valuation - please see our contact details at the bottom of this booklet.

Are there investments which I cannot invest in?

We only allow investments to be held in the Inspire SIPP which are classified by the Financial Conduct Authority (FCA) as being defined as standard assets. This means they can be readily valued and sold within 30 days. Your SIPP cannot invest directly in the following:

- Overseas commercial or residential property. We also don't allow direct investment into UK commercial property.
- Private (unquoted) company shares
- Personal chattels (e.g. works of art, cars etc)
- Loans
- Bitcoin
- Landbanking
- Investments into overseas companies for the purpose of development in property/land

Taking your pension

When can I start accessing my pension benefits?

You can access your pension at any time from the Statutory Minimum Pension Age, currently 55 (increasing to 57 from 6 April 2028), whether you are still working or retired. If due to your health, you have to give up your job, or you are seriously ill, it may be possible to access your SIPP earlier. For details on the charges which apply when you access your pension, please read the Fee Schedule on our website.

There are three main options available to you at retirement. You may choose any one of these options, or a combination to suit your own circumstances and requirements.

Option 1 – Flexi-Access Drawdown (FAD)

You take up to 25% of your fund tax-free as a pension commencement lump sum, and the remaining 75% is then used to provide income payments by way of flexi-access drawdown. You don't have to take income payments each year, but you can vary your income withdrawals with no limit at any time until the fund is exhausted. These withdrawals are taxable for UK residents but may not be for overseas residents in possession of a NT tax code. You may also choose to phase FAD by crystallising your pension pot in stages.

Option 2 – Annuity

You take up to 25% of your fund tax-free and use the remaining 75% to purchase an annuity with an insurance company. An annuity provides a level or escalating income payment for life and is a secure but less flexible option.

Option 3 – Uncrystallised Fund Pension Lump Sums (UFPLS)

This option allows you to take your whole fund in one lump sum payment. The first 25% is tax-free and the remainder is subject to income tax at your marginal rate. You may alternatively take a series of UFPLS payments, all of which are taxed on the same basis.

Do I pay tax on pension payments?
The first 25% of a pension fund is usually tax-free.

The first income payment made from a pension will usually be taxed at emergency rate. After IFGL have received the correct tax code for the individual concerned, subsequent payments will be reflect the member's current UK tax position.

When receiving a drawdown pension following the death of another person (e.g. your spouse), it won't normally be subject to UK tax if the deceased was younger than 75 when they died.

What is the Lifetime Allowance?
The Lifetime Allowance was a limit on the amount of benefits you could take across all your private pension schemes before additional tax charges applied. It has been abolished effective from 6 April 2024 and replaced by the Lump Sum Allowance (LSA) and Lump Sum and Death Benefit Allowance (LSDBA). From 6 April 2024 only non-taxable income is assessed against the new allowance and tax charges apply when the allowances are breached. The allowances may be higher where an individual has lifetime allowance protection. The old life-time allowance charge was removed on 6 April 2023.

Do I have to access my pension?
No, you do not have to take any lump sums or income from your SIPP.

What happens to my SIPP when I die?
When you die, your SIPP can be paid as a lump sum to a beneficiary (or beneficiaries), or provide a pension for them.

The trustees of IFGL Pensions have discretion over the distribution of the death benefits. You should nominate beneficiaries and keep your nominations up to date, so that we can take your wishes into account.

- If you die before the age of 75, payments to your beneficiaries (either in lump sum form or pension) will normally be tax-free (up to the lifetime allowance limit level), provided the distribution is settled within two years of us being notified of your death. This is regardless of whether you've accessed your pension or not.
- If you die aged 75 or older, payments to your beneficiaries will normally be taxed at the recipient's marginal rate of income tax.
- Due to the discretionary nature of pension death benefits, lump sums paid on death are normally free of any inheritance tax.

Further questions/information

What are my SIPPs charges?
Please refer to the Fee Schedule, which is available on our website.

Can I complain?
Customer satisfaction is very important to us, but if you are not satisfied with any element of the services provided by IFGL Pensions, you can make a complaint by email, telephone, or in writing, to the address below. The complaint will be dealt with according to our complaints' procedure, a copy of which is available on request.

We hope we can resolve your complaint, but if you are not satisfied with our response, it can be referred to The Financial Ombudsman Service (FOS), or Pension Ombudsman. Escalating your complaint in this manner does not affect statutory rights.

Where an unresolved complaint concerns the administration of the SIPP, it should be directed to the Pension Ombudsman.

Where a complaint concerns the marketing of the SIPP or poor service, you should in the first instance direct your complaint to FOS, which provides consumers with a free independent service for resolving disputes with firms.

The Pension Ombudsman can be contacted at: 10 South Colonnade, Canary Wharf E14 4PU.

The Financial Ombudsman Service can be contacted at: Exchange Tower, London E14 9SR.

Help on pension matters, including an opinion on how to complain and who to refer it to, is also available from MoneyHelper.

MoneyHelper can be contacted at, 120 Holborn, London, EC1N 2TD, Tel: 0300 123 1047

Is my SIPP covered by the UK Government's compensation scheme?
IFGL Pensions is covered by the Financial Services Compensation Scheme (FSCS) which has been set up to deal with compensation if an authorised financial services firm is unable to meet claims made against it. Compensation is dependent on the advice provided, type of business, investments selected and the circumstances of the claim. Further information is available from FSCS (www.fscs.org.uk).

The SIPP and its administration is governed by the laws of England and Wales.

CONTACT

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