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KEY FEATURES OF THE CAREY PENSION SCHEME SIPP

The Financial Conduct Authority is a financial services regulator. It requires us, Carey Pensions UK, to give you this important information to help you decide whether the Carey Pension Scheme SIPP is right for you.

You should read this document carefully in conjunction with the Terms & Conditions, Fee Schedules and Application Form so that you understand what you are buying, and then keep it safe for future reference.

Key Features of the Carey Pension Scheme SIPP

Carey Pensions UK is authorised and regulated by The Financial Conduct Authority (FCA), a financial services regulator. It requires us, Carey Pensions UK, to give you this important information to help you decide whether the Carey Pension Scheme SIPP is right for you. You should read this document carefully in conjunction with the Terms & Conditions, Fee Schedules and Application Form so that you fully understand what you are buying, and then keep it safe for future reference. This document sets out the aims of the Carey Pension Scheme SIPP; your commitments once we have established your plan/arrangement and outlines certain risks of which you should be aware. **A Questions and Answers section is included to help you. Throughout the document references are included indicating where further information can be found.**

Aims of the Carey Pension Scheme SIPP

The Carey Pension Scheme SIPP is designed to enable you to:

- Save for retirement in a tax-efficient and flexible way;
- Build up a pension fund to give you a tax-free cash lump sum and a taxable pension income;
- Take control of your pension fund investments through wider investment choices than some other types of personal pension arrangements allow. Investment decisions can be made by you or with your adviser;
- Receive transfer payments from other suitable pension arrangements;
- Allow you to take benefits in a variety of ways, including drawdown, subject to her Majesty's Revenue & Customs (HMRC) rules;
- Allow you to take benefits paid as a lump sum, without drawing down, with a tax free element (25%) and the remainder of the payment taxed through PAYE (75%). This is known as an Uncrystallised Funds Pension Lump Sum (UFPLS); and
- To provide benefits on your death and to express your wish as to whom those benefits should be paid.

Your commitments

Once you have established a Carey Pension Scheme SIPP, your commitments include:

- Paying money in, transferring in benefits from other suitable pension arrangements, or both.
- Maintaining a minimum balance in your Scheme bank account, as specified in the fee schedules, which can be found on our website: www.careypensions.co.uk;
- Keeping those funds within a pension scheme until you take benefits which is permissible, under normal circumstances, from age 55 onwards;
- Taking responsibility for the management of the investments in your Carey Pension Scheme SIPP. You can manage them yourself or through an investment adviser;
- Adhering to the Terms & Conditions of the Carey Pension Scheme SIPP.

[*Please refer to the Terms & Conditions for more details*.]

- Telling us if you stop being eligible for your Carey Pension Scheme SIPP. The eligibility requirements can be found in the Terms and Conditions;
- Telling us if and when you become aware that any contributions may not be eligible for tax relief.

[*Please refer to Q&A 11 later in this document for more details*.]

- Paying all Carey Pensions fees as detailed on our fee schedules, which can be found on our website www.careypensions.co.uk;
- Paying all our and any other professional advisory fees that may be incurred on behalf of your Carey Pension Scheme SIPP;
- Informing us of any other pension arrangements you have so we can check your Annual and Lifetime Allowances;
- Paying all costs associated with your Carey Pension Scheme SIPP. *[For further details please see "Other" in the "Risk factors" section.]*

Risk factors

Risks associated with saving for retirement through the Carey Pension Scheme SIPP are outlined below, some of which refer to the investment performance of the funds in your Carey Pension Scheme SIPP. Remember that you are responsible for the investment decisions, although you may delegate this to an adviser agreed with us. If the products you invest in also have key features documenting the specific risks applicable to that investment, you are recommended to read those as well as this document.

Investment Risks

Investment performance may be better or worse than expected and can go down as well as up which could affect the potential size of your Carey Pension Scheme SIPP and therefore the benefits you receive. You should fully understand the level of investment risk you are taking before proceeding, as well as the term you are committing to and any potential limitations on selling the investment in the future.

Charges Risks

A personal pension or a stakeholder pension may offer you some of the same options as the Carey Pension Scheme SIPP at a lower cost.

[*Please refer to Q&A 2 for more details on what type of investor the Carey Pension Scheme SIPP is aimed at, together with a comparison of alternative options*.]

The charges or fees you pay to investment managers could change and be higher than expected, which could affect the potential size of your Carey Pension Scheme SIPP and therefore the benefits you receive.
The fees we charge to administer your fund are of a specified amount, rather than being linked to the size of your Carey Pension Scheme SIPP – this means that the fees could become disproportionate to the value of your fund, for example if investment values fall and/or you only pay in small amounts.

Tax Risks

Legislation and the favourable tax treatment of pension savings could change in the future and this is outside of the control of Carey Pension UK.

If you have already registered with HMRC for enhanced protection, fixed protection or fixed protection 2012 or Fixed Protection 2014, you could lose this protection if you make payments into any registered pension scheme, including the Carey Pension Scheme SIPP.

Transfer-in Risks

Whilst the Carey Pension Scheme SIPP can accept transfers from other pension schemes, not all transfers are suitable. You are recommended to seek professional advice before proceeding with a transfer, as in some cases you could lose valuable benefits for you and your family. These benefits can include, but are not restricted to, certain rights, options or guarantees.

If you transfer from an existing registered pension scheme, it is possible that some tax free cash protection may be lost from that scheme.

If you are already taking benefits from your pension and you transfer to the Carey Pension Scheme SIPP, in some circumstances the transfer could trigger a review of the income limits applying to your pension income that could result in a reduction in the amount of pension income able to be paid.

Taking Benefits Risks

Other things that can affect the potential size of your fund and the benefits you receive include the amount you pay or transfer in to the Carey Pension Scheme SIPP - you may pay in less than you anticipated or take the benefits earlier than you were aiming for.

Investment conditions can also affect your pension income. If you convert your Carey Pension Scheme SIPP to an annuity, prevailing interest rates can affect annuity rates (generally speaking lower interest rates will mean that it costs more to buy an annuity than when interest rates are higher). Alternatively, if you decide to draw income directly from your Carey Pension Scheme SIPP, investment returns may not sustain your income requirement. This will be the case whether you access your benefits via Flexi-access Drawdown or Uncrystallised Funds Pension Lump Sum. *(please refer to Q&A 20, taking pension benefits).*

There may be a delay in receiving benefits if some of your investments cannot be sold quickly. For example there could be a delay in selling a property.

Please note there may also be transaction and legal costs involved in selling your investment.

Other

Costs can arise in connection with your Carey Pension Scheme SIPP other than professional advisory fees, such as tax charges. You are responsible for these costs. We will normally pay these costs for you using the money in your Scheme bank account. However, if you do not have enough money in your Scheme Bank Account, we will either sell assets or investments from your Carey Pension Scheme SIPP, or require you to pay the costs directly, or both.

If you have a Standard SIPP and invest in property, any costs in connection with the property (such as environmental liability) will be your responsibility and will be treated in the same way as other costs, as explained above.

Questions and Answers:

1. What is The Carey Pension Scheme SIPP?

The Carey Pension Scheme SIPP is a pension scheme registered with HMRC. It is a type of personal pension, called a Self Invested Personal Pension (SIPP).

There are two types of Carey Pension Scheme SIPP – the Standard SIPP and the Restricted Investment SIPP. The main differences between the two are the types of investments you can make and the charges you will pay. Unless otherwise stated, all the information in this document applies to both the Standard SIPP and the Restricted Investment SIPP.
[For further details about the Standard SIPP and the Restricted Investment SIPP, please see Q&A numbers 14 and 15]

The Carey Pension Scheme SIPP allows you to save for retirement in a tax efficient and flexible way.
The benefits you can receive are subject to UK pensions legislation, which include rules concerning:

- Limits on contributions that can qualify for income tax relief;
- The earliest age you can take benefits; and
- Limits on the amount of benefits that be paid without tax penalties, including the amount that can be taken as pension commencement lump sum.

2. Who invests in Self Invested Personal Pensions such as the Carey Pension Scheme SIPP?

SIPPs are used by people who want to:

- Make investment decisions about their pension assets;
- Invest in a wide range of assets; and
- Withdraw an income whilst, continuing to make investment decisions about the remaining pension assets.

A SIPP is unlikely to be appropriate for those who will not use the flexibility it offers, or who only have a small amount to invest, because the administration fees reflect the wider investment options and flexibility that exist.

In general terms, investment of less than £25,000-£50,000 into a Standard SIPP won't provide the opportunity to take advantage of the investment flexibility and may mean that the fees being levied would be considered excessive in relation to the size of the fund.

A Restricted Investment SIPP, with its investment restrictions and lower fee structure, can be considered as an alternative option. You should take advice from a suitably qualified financial adviser when deciding whether the Carey Pension Scheme SIPP is the right option for you.

3. Who will administer my Carey Pension Scheme SIPP?

Carey Pensions UK LLP will administer your Carey Pension Scheme SIPP in accordance with the Carey Pension Scheme Trust Deed and Rules and the Terms and Conditions. This involves the day to day running of your Carey Pension Scheme SIPP, ranging from processing contributions, transfers, investments and paying benefits, to ensuring the Carey Pension Scheme SIPP adheres to HMRC rules and regulations. Carey Pension Trustees UK Limited will be the trustee of your Carey Pension Scheme SIPP.

Please note that Carey Pensions UK are the SIPP administrator, we do not provide advice and are not investment managers.

4. Will I have a Scheme bank account?

Each member of the Carey Pension Scheme SIPP will be set up with a dedicated Scheme bank account with Royal Bank of Scotland (RBS) and you cannot choose to change this. It will be through this bank account that payments into and out of the Carey Pension Scheme SIPP will be made. You do not need to keep all your pension money in this bank account and can invest it elsewhere. However, we do require that you maintain a minimum balance on this Scheme bank account. The minimum balance requirement can be found on our fee schedules, which can be found on our website www.careypensions.co.uk.

Interest is payable on each separate account at our prevailing rate at the time.

5. What will my Carey Pension Scheme SIPP be worth?

The value of your Carey Pension Scheme SIPP will depend on how much is paid in, the charges paid, and how well the investments perform.

We will send you an annual statement. The valuation of certain assets such as property may not be precise. If you need precise figures, we will ask professional experts to value the assets for which they may charge a fee, generally payable from your Carey Pension Scheme SIPP.

6. How much pension will I get?

Pension payments can come from part of or your entire fund. How much you get will depend on the value of your fund, how much of it you use for pension provision and the investment conditions when you take benefits, particularly if you choose to buy an annuity. Therefore we cannot tell you now how much pension you will receive in the future.
[Please see Q&A 20 for more information about how you can take your benefits.]

7. Can I get an illustration of benefits?

An illustration giving details of the potential benefits and costs will be provided upon establishment of your Carey Pension Scheme SIPP. If you choose to draw pension benefits directly from your Carey Pension Scheme SIPP, we will automatically supply you with an illustration of these benefits.
On an annual basis, we will send you a statement to help you track the progress of your Carey Pension Scheme SIPP.

8. What are the charges?

We charge fees to cover the cost of administering your Carey Pension Scheme SIPP. In broad terms, these fees cover such things as setting up your Carey Pension Scheme SIPP, the on-going administration and regulatory reporting of the Carey Pension Scheme SIPP and for carrying out certain transactions. The fees for administering your Carey Pension Scheme SIPP are detailed in full in our fees schedules, which can be found on our website www.careypensions.co.uk.

We aim to make our fees open and transparent, so most administration activities that we are likely to carry out on your behalf are detailed in our fee schedules.

Occasionally a situation may arise, for example a particularly complicated transfer of pension benefits, where we need to charge additional fees for the work carried out – in such circumstances, we will notify you before carrying out any work and agree with you the basis of charging this additional fee i.e. whether it will be a fixed fee or linked to the time spent on the task. We will also agree with you any limits to the fee incurred and whether the fee is to be paid by you or taken from your Carey Pension Scheme SIPP.
Please remember investment providers may also charge for the purchase, sale and management of assets.

They will provide details of these separately (they may provide a Key Features Document similar to this one). Our charges are in addition to costs involved in the purchase or sale of assets levied by the investment companies. Examples of extra costs include solicitors' fees, unit trust establishment fees, and the cost of selling assets to provide drawdown. If you don't have sufficient money in your Scheme bank account to cover our charges, we can either sell assets from the scheme to meet these costs or ask you to pay the charges personally.

9. How and when can I pay money into my Carey Pension Scheme SIPP?

You can choose from:

- One-off payments;
- Regular payments – you can choose the frequency of when these are paid;
- Transfer of pension benefits from other suitable pension arrangements. It is possible to transfer Contracted-out benefits (also known as 'former protected rights') into the Carey Pension Scheme SIPP. Former protected rights that have not come into payment when transferred to your Carey Pension Scheme SIPP will be treated no differently to the rest of your pension benefits. Former protected rights that have come into payment when transferred to your Carey Pension Scheme SIPP will be separately identified as former protected rights but will be treated the same as the rest of your pension benefits;
- Paying in or transferring-in existing 'non-pension' assets currently held outside of a pension fund, which means that you would not have to cash them in; an example may be a share portfolio, or a commercial property (subject to Carey's approval of the assets and the limits set out in Q&A 10 below);

If you are employed, your employer can also pay into your Carey Pension Scheme SIPP.

You can stop paying, or take payment holidays and restart payments later, although stopping payments, even temporarily, may reduce the value of your retirement fund.

10. Are there limits on what I can pay in?

Payments can be made to the Carey Pension Scheme SIPP at any age. Any contributions you pay after age 75 do not attract tax relief. We will not generally accept contributions that exceed the Annual Allowance.

Everyone can pay in and receive tax relief on, contributions up to £3,600 gross each year. You can pay in more than this and still receive tax relief, based on the lower of your UK Relevant Earnings and the Annual Allowance (set by HMRC).

This details how tax relief is granted and the limits applying. The Annual Allowance is currently £40,000 gross. The Annual Allowance applies as a total limit on personal tax relief across all of your registered pension schemes in a tax year. It covers:

- Your payments;
- Employer payments made on your behalf; and
- Any increase in the value of retirement benefits you may earn from a final salary/defined benefit arrangement.

Please note, the £40,000 annual allowance limit only applies to members with unused funds, currently drawing benefits under Capped Drawdown and will continue to post 6th April 2015 or those members that only draw their tax free element when they draw their benefits under Flexi-access Drawdown.

If a member accesses their benefits either under Uncrystallised Funds Pension Lump Sum or pension income from Flexi-access Drawdown, their MPAA will immediately become £10,000.

Where you were a member of a registered pension scheme, prior to 6th April 2011, but had not fully used your available Annual Allowance from the previous three years you may be able to "carry forward" that unused allowance. Carry forward relief is not available when your Money Purchase Annual Allowance (MPAA) is reduced to £10,000.

The Annual Allowance does not apply in the year of death or where benefits are taken early as a result of "serious ill health".

The Annual Allowance does not include transfers in from other pension arrangements as they have already qualified for tax relief when the contributions were originally invested in a pension scheme.

Any contributions over the Annual Allowance will be taxable at an 'appropriate' rate set by HMRC. The amount of tax charged will be your highest rate of tax determined by your individual circumstances based on your income and the amount by which you have exceeded the Annual Allowance. In some cases it may be possible to make larger contributions in a particular tax year. As this is a complex area you should talk to your adviser if you think you may be close to, or exceed the Annual Allowance.
[*Please refer to Q&A 18 for details of the Lifetime Allowance*]

11. Can I claim tax relief on what I pay into my Carey Pension Scheme SIPP?

Contributions can attract tax relief as outlined below:

If you are not earning, you can pay up to £3,600 gross contributions (i.e. before tax relief) per annum, which means you can pay a net contribution (being the amount after adjustment for basic rate tax relief) up to £2,880. We claim basic tax relief from HMRC on your behalf and invest it in your Carey Pension Scheme SIPP (This example is based on 20% basic rate tax).

If you are employed or self-employed, you pay contributions net of basic rate tax. We claim basic rate tax relief from HMRC and invest it in your scheme.

It should be noted that reclaiming tax relief generally takes between six and ten weeks. Tax relief monies can only be invested once they have been received from HMRC. If you are a higher rate taxpayer, you can claim the extra tax relief through your self-assessment tax return.

12. Is there any tax relief on employer contributions?

Employer contributions are not taxable as a benefit in kind for you and your employer will normally get tax relief on employer contributions as a business expense.

13. What if I am affected by 'Enhanced' or 'Fixed' Protection?

Enhanced protection could affect you if, before 6 April 2006, you had any existing pension plans and they were near to or above the Lifetime Allowance (*please refer to Q&A 18 for details of the Lifetime Allowance*) and you registered with HMRC for protection against additional tax charges. You will lose this protection if you make payments into any registered pension scheme, including a SIPP such as the Carey Pension Scheme SIPP. The same applies if you have registered for Fixed Protection (2012) or Fixed Protection 2014, i.e. you will lose this protection.

If you transfer from an existing registered pension scheme it is possible that some tax free cash protection may be lost from that scheme.

You should check these points with your adviser before making payments into your Carey Pension Scheme SIPP.

14. What can I invest in with a Carey Pension Scheme Standard SIPP?

You, or your advisers if you give them appropriate authority, can choose from a wide range of investments without attracting tax penalties. Certain investments would result in additional tax penalties, so investment must be within the range agreed by the Administrator, Carey Pensions UK LLP.

If you choose to retain your right to cancel (*please refer to Q&A 27 for cancellation rights*), investment will be limited to the Scheme bank account during the 30 day period covered by your right to cancel.

Thereafter, or where you waive your right to cancel, investment choices include:

- Bank and Building Society accounts
- UK commercial land or property
- Borrowing
- Insured policies
- Managed funds (including investment trusts, unit trusts and OEICs)
- Quoted and unquoted stocks and shares
- Contracts for difference
- Traded endowment policies
- Hedge funds
- Venture capital trusts
- Futures and options

If there is anything else you would like to invest in, please contact us to ascertain whether this would be permitted. Please note that the list of investment choices may change from time to time.

15. What can I invest in with a Carey Pension Scheme Restricted Investment SIPP?

The Restricted Investment SIPP is designed to enable those with smaller pension funds to have some investment flexibility whilst benefiting from lower fees than those that apply to the Standard SIPP. You and/or your adviser can choose from two options:

1. Tailored Option – You can use a combined maximum of two investment managers or investment platforms through which managed funds can be held and administered. These must be allowed by HMRC and acceptable to the Administrator, Carey Pensions UK LLP;

Or

2. "Off The Shelf" Option – You can use the services of one of our strategic partners who will manage your investments through an investment platform based on Risk Model Portfolios;

or alternatively, you can combine both options as long as you do not exceed the maximum of two investments (not including your Scheme bank account).

3. A Risk Model Portfolio is a range of investments that are linked to the level of risk an investor is prepared to take. The investor's risk is analysed and then the appropriate portfolio model, comprising a range of investments and asset classes, is used. The portfolio uses standard risk rating parameters and the investments are monitored by the investment manager to ensure they remain within these parameters. Carey Pensions UK LLP simply provides access to this service through the Carey Pension Scheme SIPP and does not provide advice or recommend investment managers. We do not receive any inducement or commission from them.

Certain types of investment such as, but not limited to, commercial land and property, unquoted shares, direct holdings of quoted shares, loans, borrowings, derivatives and hedge funds are not permitted within the Carey Pension Scheme Restricted Investment SIPP.

However, if after having established your Restricted Investment SIPP you decide to invest in a broader range of investments including those not permitted through the Restricted Investment SIPP then, subject to your instruction and agreement to pay the higher Standard SIPP fees, the Restricted Investment SIPP can be granted Standard SIPP status. [Subject to our agreement] You can also decide to move back to a Restricted Investment SIPP in the future.

You should ask us prior to commencing your Restricted Investment SIPP if you are unsure whether a particular investment can be held within this type of Carey Pension Scheme SIPP.

16. What investment would attract tax penalties?

Investments that would attract tax penalties, and so not allowed for the Carey Pension Scheme SIPP are:

- Residential property; and
- Property such as art, antiques, wine, jewellery, classic cars, racehorses etc. – this is referred to by HMRC as 'tangible moveable property'.

Together these are known as Taxable Property.

17. How do I decide what to invest in?

You can appoint an adviser or manage the investments yourself. You (or your adviser) must tell us what investments to make. Carey Pensions do not give advice, nor are we investment managers, we are the administrator of your scheme.

You can change your choice of investments whenever you like. Please remember that the investment provider may charge you for this. Also remember that it can take some time to buy or sell certain types of investments, e.g. property and that the value of investments can go down as well as up.

18. Is there a limit on my Carey Pension Scheme SIPP?

The maximum total value that all of your pension arrangements can reach without incurring special tax charges is called the Lifetime Allowance (LTA). This is currently £1.25 million.

You may have to pay tax on the value of the excess over the LTA when you take your benefits. The Lifetime Allowance is due to reduce further to £1 million as from 6th April 2016.

If you already had a pension fund on 5th April 2006 you may have already taken steps to avoid this tax charge by applying for "Enhanced" and/or "Primary" Protection. To retain Enhanced Protection, no further contributions or benefit enhancements can be made to your pension arrangements.

If you elected for Fixed Protection prior to 6th April 2012 (fixing your personal LTA at £1.8 million) or Fixed Protection 2014 prior to 6th April 2014 (fixing your personal LTA at £1.5 million), this means that no further contributions or benefit enhancements can be made to your pension arrangements.

If you think that either of these measures apply to your pension you should speak with your adviser, especially before you pay money into your Carey Pension Scheme SIPP.

Every time you take benefits from one of your pension arrangements (including your Carey Pension Scheme SIPP) some of your LTA is used up and checks against the LTA are carried out at various points, including:

- Whenever you use part of your fund to provide a pension commencement lump sum, drawdown pension, Scheme Pension, UFPLS or to purchase an annuity; and
- When you reach age 75 or a lump sum death benefit is paid.

At each of the above stages an allowance is made for any tests previously carried out.

Special tax charges apply to any further benefits once the LTA has been used up. The current tax charge is 55%, where the excess over the LTA is taken as a lump sum, or 25% where the excess is taken as pension (because the pension attracts PAYE).

19. Can I transfer my Carey Pension Scheme SIPP?

You can transfer part of, or your entire Carey Pension Scheme SIPP, to another registered pension scheme at any time. Any crystallised funds held in the Carey Pension Scheme SIPP must be transferred in their entirety. If you transfer the whole of your arrangement/plan, it will come to an end. Any protection for which you have applied to HMRC, could be lost if you transfer.

You should speak to your financial adviser before making a transfer. There will be a charge levied for this transaction. Please see the fee schedules, available on our website www.careypensions.co.uk, for more information.

20. Taking pension benefits from the Carey Pension Scheme SIPP

Summary
The table below shows the main options available, including death benefits:

OPTIONS	DETAILS
Take No Action	Your plan will remain as it currently is and the value of your fund will rise and fall depending on your investment choices. You are able to take benefits at a later date, at a time that suits you.
Tax Free Cash (Pension Commencement Lump Sum)	A proportion of your fund, up to 25%, may be taken when you reach your minimum retirement age of 55. The payment may be taken at any time after age 55 and does not have to be taken all at once. Tax free cash is normally paid before either an annuity is purchased or a drawdown pension arrangement is entered into.
Capped Drawdown	Capped Drawdown is the existing arrangement that a member of the Carey Pension Scheme may use to access their pension income. Note: Capped Drawdown will not be available after 5th April 2015, unless you have previously accessed your pension under this method. It is different from an annuity contract, as it is not a secured pension for life. A member is able to take an annual pension amount (at their chosen frequency) up to your maximum permitted income limit. Various factors affect your maximum income limit (such as your age, the value of your remaining fund, gilt yields and rates set by the Government Actuarial Department GAD). Income limits must be reviewed regularly (every three years up to the age of 75 and annually thereafter) which means the income available to you under Capped Drawdown is not guaranteed. It is likely that your maximum income limit will rise and fall from one review to the next.

	For an existing Capped Drawdown arrangement, you will be able to continue as long as you do not exceed the maximum annual income, or you can choose to convert to a flexi-access drawdown arrangement (explained below).
Flexi-access Drawdown	Flexi-access Drawdown is a method of accessing your pension, after your tax free cash sum has been paid, from the SIPP as a one-off income payment or in amounts of your choosing, at a time that suits you. Each income payment will be taxed at your marginal rate of Income Tax through PAYE (i.e. basic rate 20%, higher rate 40% and / or additional rate 45%). There is no maximum limit on the income and you can take the whole value of your SIPP and no periodic reviews will be carried out. As soon as you take income using Flexi-access Drawdown, your Annual Allowance is reduced to the new Money Purchase Annual Allowance (MPAA). Currently, the Annual Allowance is £40,000 and the MPAA is £10,000. Please note under MPAA you are not able to utilise previous tax years unused contribution allowances ('Carry Forward'), so £10,000 is the maximum you can pay into your pension.
Uncrystallised Funds Pension Lump Sum (UFPLS)	UFPLS is a benefit payment made directly from pension funds which haven't been accessed before. It is different from any of the drawdown options, as the payment does not take your SIPP into drawdown. The payment is split between a 25% tax free element and the remaining 75% is taxed as income at your marginal rate of Income Tax through PAYE. The payment could affect the rate and amount of Income Tax that is paid in a tax year, as the UFPLS may affect your tax code and take you into another tax band if you already receive income from other sources. You must also have remaining Lifetime Allowance to take this benefit payment. The Lifetime Allowance is the amount of pension fund you can build up without paying a tax charge. If you have any of the HMRC Pension Protections in place, you are unable to access your pension benefits using UFPLS. You should seek independent financial advice before deciding on how you will take your benefits.
Small Pots	A small pot is a fund which is less than £10,000 in value, taken at the age of 55 or later. A tax free element of up to 25% of the fund may be taken and the remainder of the fund is taxed at your highest marginal rate of Income Tax. A member may take a small pot from up to three pension arrangements. Taking a small pot benefit payment will not affect your ability to contribute to a pension arrangement up to £40,000 per annum.
A Lifetime Annuity	A Lifetime Annuity is a type of retirement income offered by insurance companies which provides you with a regular guaranteed payment for life. In exchange for your pension funds, you will receive a secured income from the Annuity Provider for the rest of your life. The amount you receive will depend on the type of Annuity you purchase and the rates applicable at the time of purchase and this can vary between providers. The income you receive from the insurance company is subject to Income Tax under the PAYE system. Below are examples of some of the choices you may add to your annuity depending on your circumstances: 1. An annual increase inline with prices You may choose a pension that increases each year by inflation, 3% or 5%, or you may select no increases. The greater the level of annual increase requested, the lower the initial income payment will start at. 2. A nominee's benefit when you die Depending on your circumstances you may choose to leave pension

	benefits to your spouse, partner, children or other people you have nominated. The individuals you nominate do not need to be dependent on you. The percentage of your pension provided for your nominees following your death will depend on your circumstances and you should seek guidance or independent financial advice before you make a decision. Your nominees may also select a lump sum payment following your death. 3. <u>Guarantee period</u> A guaranteed period is a set amount of time that the annuity will be paid. If you die within this period your beneficiaries will receive a lump sum that equates to the value of the pension for the remaining period of the guarantee. For example, if you have selected a five year guarantee and you receive two years of pension payments prior to your death, the beneficiaries will receive the remaining three years pension as a lump sum paid in accordance with your wishes.
A Combination of any of the above	A combination of any of the pension benefits described above is available to you. The way in which you take benefits is flexible and can be structured to meet your individual requirements.
Death Benefits from a SIPP	Death benefits payable from a pension arrangement has changed significantly since 6th April 2015. The benefits that will be available to your beneficiaries and/or nominees from your scheme after you die, will depend on your age at the date of death and whether you have commenced taking benefits from your pension. 1. <u>Death benefit lump sum</u> Benefits payable to your nominees as a lump sum are tax free if you are under the age of 75 when you die. This is the case, even if you had been paid pension benefits from the scheme prior to death. If you are over the age of 75 when you die, your nominees are able to take a lump sum, however a tax charge of 45% is levied on the payment and will be deducted before the lump sum is paid. This is set to change as from 6th April 2016, when the tax charge will be reduced from 45% to the nominee's marginal rate of Income Tax. 2. <u>Nominee's drawdown pension</u> Your nominee(s) may wish to receive a pension rather than a lump sum. In this case, the fund would remain in its existing state until the nominee wishes to take benefits. The nominee's income will be tax free if you die before you reach the age of 75, and taxed at the nominee's marginal rate of Income Tax if you die after the age of 75. Death benefits must be paid to the beneficiaries and nominees within two years of Carey Pensions being notified of a member's death, otherwise tax charges may be levied.

21. When can I take benefits?

You may take income from your Carey Pension Scheme SIPP any time from age 55. You may also take benefits earlier if you suffer illness or an accident which leaves you permanently unable to carry out your current occupation and you cease that occupation.

On death different tax treatments apply depending upon whether you die before or after age 75 years, as outlined above.

22. Are pension payments taxable?

A pension or income withdrawal payment is treated as earned income and is taxable through the PAYE system, so we will deduct income tax before payment to you. It is your responsibility to provide us with your current tax coding.

23. Is my Carey Pension Scheme SIPP taxable?

Pension funds don’t generally pay UK tax on contributions or investment growth (although tax credits deducted from UK dividends and some overseas dividends cannot be reclaimed by the Carey Pension Scheme SIPP).

Pension income is subject to income tax and you have the flexibility to spread your income across different tax years.

24. Are there any other tax charges?

Any payment which is not allowed by HMRC for tax-relief purposes is called an unauthorised payment. Unauthorised payments include benefits paid in excess of the income withdrawal limits and lump sum payments in excess of 25% of the fund. Unauthorised payments will result in an additional tax charge of at least 55%, and more in some circumstances.

Certain investments (known as Taxable Property) will also attract unauthorised payment tax charges. These investments include residential property and any ‘tangible moveable property’ – examples include antiques, fine wine and art, yachts and racehorses. For this reason, we do not allow these types of investment within the SIPP.

The tax charges payable for unauthorised payments (including investments in taxable property) will vary depending upon the reason for the charge. However, these can be penal and in broad terms are 40% on the member personally, up to 40% on the SIPP plus a further 15% on the member personally if the unauthorised payment is more than 25% of the SIPP fund value.

25. Can I cancel my Carey Pension Scheme SIPP?

You have a right to cancel the Carey Pension Scheme SIPP within the first 30 days from the date of conclusion of the contract or you can waive this right to allow the full range of investment choices immediately.

If you want to retain the right to cancel your Carey Pension Scheme SIPP, you should notify us when returning your completed application form. There is a section for this on the Application Form. You will then have the right to cancel the Carey Pension Scheme SIPP at any time within the 30 day cancellation period. The Carey Pension Scheme SIPP cannot be cancelled once the 30 days have elapsed.

Where you have retained the right to cancel your Carey Pension Scheme SIPP, your contributions or transfer payment will be held within the Scheme bank account until the 30 day cancellation period has expired. This means you will not be able to make any investments until the cancellation period has expired. You can instruct us to move the funds into other permitted investments, but we will not do this until the end of the 30 day period.

If you decide to cancel your Carey Pension Scheme SIPP, any contributions will be returned to you and any tax relief claimed on your behalf will be returned to HMRC. Where you cancel your Carey Pension Scheme SIPP in respect of a transfer from another pension scheme, the transferring scheme may not agree to take back your transfer value – or may not take it back on the terms that applied before the transfer – in which case you and your adviser will be responsible for finding an alternative registered pension scheme for the transfer.

In the event of cancellation, the establishment fee for the Carey Pension Scheme SIPP will be retained by us to cover the administration costs incurred.

A separate right to cancel, which cannot be waived, applies to any transfers in made from other pension arrangements.

If you decide you want to cancel, you should write to us at the address set out in Q&A 35.

26. Where can I find more information?

The Carey Pension Scheme Terms & Conditions, available on our website, provide more information. You can ask your adviser for a copy or contact us – our contact details are provided under "Contacting Carey Pensions UK". You can also visit our website www.careypensions.co.uk

27. Data Protection

Carey Pensions UK LLP and Carey Pension Trustees UK Ltd both act in accordance with the Data Protection Act. The Carey Pension Scheme SIPP is covered by the Data Protection Act, under which you have right to access certain of your personal records. If you wish to exercise this right please write to Carey Pensions at the address shown later in this document. There may be charges for the provision of information.

28. Who is Carey Pensions UK LLP?

Carey Pensions UK LLP is authorised and regulated by the Financial Conduct Authority under FCA Registration Number 501747. You can check this on the FCA's website at www.fsa.gov.uk/register
Carey Pensions UK LLP is part of Carey Group.

Carey Group is an independently owned off-shore financial services company providing administration and trustee service for off-shore funds/trusts/pensions such as QROPs/QNUPs and international pension plans.
Carey Group shareholders are the partners of one of the largest international law firms in the Channel Islands — Carey Olsen.

29. What if I have a query or complaint?

If you have a query or complaint, please write to or email us at the address shown later in this document.

If you have a complaint we will do all we can to resolve it with you. Details of our complaint handling process are available on request.

If you are not happy with our response and you wish to take the matter further you can refer it, without giving up any other rights you may have, to any of the following:

Pension Ombudsman
An independent organisation that adjudicates between you and us, where you have a complaint about maladministration on our part.

- Pensions Ombudsman, 11 Belgrave Road, London, SW1V 1RB; Telephone number: 020 7834 9144; www.pensions-ombudsman.org.uk
- The Pensions Advisory Service Limited, 11 Belgrave Road, London, SW1V 1RB; Telephone number: 0845 601 2923; www.pensionsadvisoryservice.org.uk

The Financial Ombudsman Service
An independent organisation that provides clients with a free service for resolving complaints with financial firms.
- Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR;
  Telephone number: 0845 080 1800; www.financial-ombudsman.org.uk

30. Law

The law of England and Wales will be used to decide any dispute.

The Carey Pension Scheme SIPP is administered by Carey Pensions UK LLP which is authorised and regulated by the Financial Conduct Authority with permission to establish, operate and wind up personal pension schemes.

31. Compensation

The Financial Services Compensation Scheme (FSCS) was established under the Financial Services and Markets Act 2000 and may provide protection if we cannot meet claims made against us or because we cannot return investments or money.

FSCS compensation limits for eligible investments are up to £50,000 and for bank deposits up to £85,000. Further information regarding compensation arrangements is available from the Financial Services Compensation Scheme (FSCS) website at www.fscsorg.uk

Investments with regulated investment providers or insurance companies are covered separately by FSCS and these companies will provide information about the levels of cover provided.

Investments provided by non regulated investment providers will not be covered by FSCS.

You should take advice from your adviser(s) as to whether the investments you wish to invest in are covered by FSCS.

Your status under the FSCS does not affect any statutory right you may have to compensation.

32. Terms and Conditions

This Key Features document provides a summary of the Carey Pension Scheme SIPP. It does not include all the definitions, exclusions, terms and conditions.

The full contractual terms are set out in the Trust Deed & Rules and the Terms and Conditions. If you would like copies of these, or clarification of any of the information provided in this document, please ask your financial adviser or contact Carey Pensions at the address shown later in this document.

We can change the Terms and Conditions in limited circumstances. This is explained in the Terms and Conditions themselves.

33. Contacting Carey Pensions UK

Both the Administrator and Trustee can be contacted at:

First Floor, Lakeside House
Shirwell Crescent
Furzton Lake
Milton Keynes MK4 1GA

Telephone: +44 01908 336010 Fax: +44 01908 506169 Email: enquiries@careypensions.co.uk
Website: www.careypensions.co.uk

34. Language

All information and communications from us will be in English. Please contact us if you need this document in larger print.