

2 Terms of Business

Telephone: 0800 634 4862 Fax: 020 8711 2522 Email: info@pensionpractitioner.com

4. Compensation

If you make a valid claim against us in respect of the services we provide we will make settlement in accordance with our professional indemnity insurance policy.

5. Verifying identity

We are registered with HM Customs & Excise for money laundering regulation and as such we have satisfied those requirements as Fit and Proper Persons. Details of our nominated officer can be provided on request.

We will verify your identity in accordance with the Criminal Justice Act 1993 and the Money Laundering Regulations. In certain circumstances, where the individual cannot be verified by another approved person (such as your accountant), we will charge £15.00 per person who requires a MLR verification check. We may rely on an approved external provider to undertake that check.

6. Legal documents

We do not provide custodian services and therefore do not hold title on your behalf, save for taking copies of those documents to allow us to provide services to you. We will return those documents to you by Royal Mail recorded delivery; we cannot be responsible for the loss of legal documents, if the Royal Mail fails to deliver those documents.

7. Your money and investments

We do not handle client money under any circumstances. We are not co-owner or a signatory to any investments of any nature, including but not limited to loans, borrowings, stock and share purchases/sales, securities, financial futures and options, certificates of deposit, currency, metals, land and property of any nature.

We are not liable for any tax penalties, losses, omissions and errors you undertake in the investment of your funds, including but not limited to investments in stocks, shares, land, property, any employer or employee or connected party investments of any nature.

We are registered for Money Laundering Regulation and will require authority to obtain information regarding investment activities in order that we may meet HM Customs and Excise requirements, with whom we are registered with. We do not provide financial and/or investment advice. You are recommended to speak with a person who is regulated to give you that advice.

8. Law

The law governing this agreement is the law of England and Wales.

9. Instructions

We normally require our clients to give us instructions in writing, to avoid possible disputes, but we shall be entitled, at our sole discretion, to act upon your oral instructions. We can refuse your instructions at our discretion.

10. Variation of the agreement

We may vary the terms of this agreement by writing to you at your last known address giving 30 calendar days notice to those changes. Proof of delivery to this address will constitute proof of notice being served. These terms of business represent our understanding of the law and our terms of business as at 1 May 2013; they are valid from that date.

11. Complaints Procedure

We always aim to provide an excellent service, if for any reason we have failed please put your complaint in writing to:

Pension Practitioner .Com
33-35 Daws Lane
London
NW7 4SD

We will respond to you within three working days of receiving that complaint and will commence an investigation. We will advise you of our progress and aim to complete our investigation within 30 calendar days of the complaint being received.

12. Data Protection Act 1998 & Legal Information, Privacy Statement and the Data Protection Act 1998

- a. We will treat all your personal information as private and confidential (even when you are no longer a client), except where disclosure is made at your request or with your consent or where we are required by law to disclose. We will hold your details for a minimum of 6 years.
- b. We will use your information for the purposes of administration of the services you employ us to undertake from time to time and to allow us provide you with consultancy and documentation services you have asked us to provide to you.
- c. The information you provide to us may be shared with HMRC and the Pensions Regulator and their agencies for the prevention of fraud and to ensure proper compliance with their requirements of us. We will not provide your information to any other third party without your written consent to do so, except as required by law.
- d. Where necessary you consent to our processing data that is defined as sensitive by the Data Protection Act. You also consent to our transferring your information to countries that do not provide the same level of data protection as the UK, if necessary for the above purposes. In order to provide certain online services to you, we may transfer your data to countries or territories outside of the EEA (European Economic Area) that may not provide the same level of protection as within the EEA. We, our agents and sub-contractors will apply appropriate technical and organisational measures against the unauthorised processing of personal data and against accidental loss of, or damage to personal data. By providing your data you agree to your data being used and transferred as stated above.
- e. For marketing purposes we will never share with other companies the information you provide to us.

Terms of Business

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Pension Practitioner. Com is a trade name owned and operated by Pension Practitioner .Com Limited, a limited company registered in England under number 06028668 ("the Company").

This Terms of Business sets out the general terms and conditions that apply; how we perform these services and our charges.

We shall conduct our relationship with you at all times in accordance with these terms of business. We are not regulated to provide investment or investment related services that are covered by the Financial Conduct Authority. We also do not provide mortgages and non-investment insurance.

We shall be entitled to any fees under these terms of business once you have consented to them, subject to the rights you have to cancel the agreement.

In these Terms of Business references "we" "us" and "our" shall mean the Company as provider of this service. References to "you" and "your" means you as the Trustee(s) of the Scheme who will be the recipient of this service.

1. Our remuneration

- a. We receive our remuneration from fees, which we charge to you for provision of the services provided in the fee menu. Our fee for the set up of a scheme, or takeover of another pension scheme, is payable in advance. The administration fee is invoiced in advance for the year, and is collected quarterly by direct debit. The first collection date will arise within 7 calendar days following the tax registration of the scheme, or in the case of a scheme takeover, within 7 calendar days following provision of the scheme's takeover report. Thereafter, it is collected on the first working day of each subsequent quarter by direct debit.
- b. Where you instruct us to undertake work for you which does not form part of the administration services set out in the fee menu, we will charge you for those services once they are completed in our opinion. We will advise you in advance of those fees. You have 14 calendar days to pay for any and all that additional work which does not form part of the administration service. If you do not pay within 14 calendar days we reserve the right to charge you interest at a reasonable rate from the 14th date that the invoice remains outstanding until the date that the payment is received as cleared funds. We also reserve the right not to perform any services for you and reserve the right to recover in addition to our costs from you for pursuit of our invoice(s), for which you will be liable for.
- c. In the event that we are unable to collect by direct debit, we will re-attempt to collect payment 7 calendar days following the first collection attempt. If we are unable to collect that subsequent payment you will be liable for the annual administration fee for the year. We also reserve the right not to perform any services for you until payment has been received, together with the right to recover in addition to our costs from you for pursuit of our invoice(s), for which you will be liable for.

- d. Where you or we terminate our services and you have paid for the annual administration fee of your scheme for the year and/or additional services set out in the fee menu, you shall be entitled to a refund of your fees, less the costs we have incurred to the date of the termination of the services agreement. No interest will be added to the refund. Where you terminate our services, you will not be entitled to any refund if the invoice arising from the services for which you have been invoiced remains outstanding after 14 calendar days, or is outstanding at the date that our administration services agreement is terminated.
- e. By signing this agreement you agree to pay us for our services in accordance with that set out in these terms of business.
- f. You may request that the invoice(s) is made to and paid by the Registered Administrator of the scheme, however this does not, transfer, alter or diminish any terms or liability you have in connection with this agreement. You are signing this agreement as Trustee(s) of the pension scheme.
- g. Where you undertake a transaction which gives rise to an unauthorised payments charge on the administrator or member or employer, we reserve the right to terminate our services with you with immediate effect. Under these circumstances 2a, 2b and 2c of this Terms of Business shall not apply.

2. Termination

- a. Subject to the provisions set out in 1.a & b & c we or you may terminate this agreement at any time, on giving 30 calendar days notice to the other party in writing.
- b. Notice of termination by you must be given in writing to our address at: Daws House, 33-35 Daws Lane, London, NW7 4SD. The agreement will terminate 30 days upon our receipt of such notice. Proof of posting will not constitute proof of delivery.
- c. Notice of termination by us must be given in writing to you and we will send such notice by post to your last known address.
- d. Termination of the agreement is without prejudice to the completion of any services initiated prior to receipt of such notice.
- e. The terms of business have no minimum or maximum period during which they must remain applicable.

3. Communicating

- a. You may communicate with us by writing, phoning or sending an email to us, there is no additional charge.
- b. We will communicate with you by writing, phoning or sending an email, at our discretion and unless we hear from you to the contrary we may telephone you from time to time in normal business hours without your further prior consent.
- c. All postal correspondence will be sent to you via the Royal Mail. We will not be responsible for loss of any correspondence that may arise from any error or failure of the postal system. First class mail will normally be used, save for documents of title.

13. Contracts (Rights of Third Parties) Act 1999

Save in respect of death or personal injury, you will look only to us (and not to any individual engaged or employed by us including but without limitation to any partners or consultants or contractors) for redress if you consider that there has been any breach of these terms of business or any variation thereof which you agree should be confirmed in writing, or in relation to any cause of action arising out of any service that we provide to you. You also agree not to pursue any claims in contract, tort or for breach of statutory duty (including but not limited to negligence) against any individuals working for us in carrying out our obligation under these terms of business or in relation to any service we provide to you at any time, whether the individual is named expressly in any correspondence we send to you or not. You acknowledge that such individuals (including but without limitation to directors, employees and consultants) are entitled to enforce this term pursuant to the Contracts (Rights of Third Parties) Act 1999.

14. Scope of our services

We provide administration services to Trustees of Small Self Administered Schemes in order that they may perform their functions as Trustees.

We do not give advice on the suitability or otherwise of transferring pensions held in the UK or Overseas to Small Self Administered Schemes. You are recommended to speak to an Independent Financial Advisor who is authorised to give such advice prior to making any pension transfers. Where we are requested to sign on behalf of the Scheme Administrator a pension warranty form, we are signing on the sole basis that the receiving scheme is capable of receiving a pension transfer and not for any other purpose.

Whilst we provide documentation and we rely on our pension solicitor's documentation, we are not solicitors and therefore clients are recommended to obtain their own legal advice where appropriate regarding the documentation we supply to them.

Our guidance is based on information provided to us by HMRC, The Pensions Regulator and other bodies. You must satisfy yourself that the information we provide to you is correct and you accept that we have no liability where in good faith there are any omissions, errors, inconsistencies in respect of the information we provide to you.

We do not undertake any activities arising from or connection with:

- Receiving instructions from the trustees or members about the buying or selling of trust and or insurance investments and then instructing a broker or product provider to effect the transaction.
- We do not deal or enter into investment transactions concerning **securities or relevant investments** on behalf of the trustees.
- Nor do we handle claims on behalf of trustees.
- We do not arrange the appointment of a custodian on behalf of the trustees.
- We do not give investment advice or solicit investment products

Such activities are undertaken by the trustees for themselves or through the appointed advisor. We do not receive any payments for investments and policies that you arrange.

We do undertake all of the following:

- Maintaining records;
- Liaising with tax authorities;
- Arranging actuarial advice;
- Paying over contributions to a product provider or fund manager for investment in line with pre agreed instructions; and
- Paying out benefits under the instruction of the trustees
- HMRC and all other Regulatory reporting
- Give information regarding changes in HMRC and Regulatory practice
- Give information we consider from time to time appropriate to the trustees concerning the governance of the pension scheme.
- Provide through our appointed solicitors legal services to the trustees

We do not hold nor are we a signatory to the assets of the pension scheme. We will hold authority for any investments undertaken in order that we may meet our reporting requirements to HMRC.

Fit and Proper Persons

We are registered with HM Revenue and Customs as a Company Service Provider in order that we can meet their requirements of us. We have satisfied their fit and proper persons test and our certificate is available on request. We will share information with HMRC and their agencies to prevent fraud or in connection with the prevention of money laundering.

By signing this agreement you confirm that you have read the terms of business and agree to be bound by these terms of business.

Signed



Name

S. KIRTLAN

Signed

Name

Signed

Name

SSAS technical key features

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This guide is designed to provide the key features of the Pension Practitioner .Com Small Self Administered Scheme (SSAS). It is based on our understanding of pension law and taxation at the time of print, this document does not constitute advice.

The structure of a SSAS

The Pension Practitioner .Com Small Self-Administered Scheme (SSAS) is an occupational registered pension scheme with 11 or fewer members. A SSAS is established under trust by an employer, known as the principal employer. The employer appoints trustees to the scheme, the Employer also invites members to join the Scheme, the members are invariably the trustees.

Non member trustees may also be appointed by the employer. The Trustees are responsible for most aspects of the Schemes including investment choice, payment of benefits and appointment of advisors. They may delegate part of their duties to 3rd parties such as an external Administrator or Scheme Practitioner.

A registered Administrator is required, their responsibilities include filing returns and dealing with all tax related matters with Her Majesty's Revenue and Customs' (HMRC) compliance and audit regime. Failure to adhere to those requirements results in a fine, the amount of which depends on the nature of the breach. Pension Practitioner.Com can fulfill all administration duties should the trustees wish, but the registered Administrator will be the member trustees of the Scheme or the Principal Employer, unless they agree otherwise.

We will be the registered Practitioner, this allows us to undertake the administrative functions for the SSAS trustees and registered administrator.

What is a principal employer

An employer is traditionally the person or company who hires you and pays your wages. A scheme can have more than one employer participating in it, but it must be recognised who the "principal" employer is. An investment company can sponsor the scheme. An employer is not restricted to a limited company, it can include a partnership or where an individual employs or contracts others to carry out work, that person could also meet the definition of a principal employer.

Who can be a SSAS scheme member

This is a very wide ranging definition, and covers any active member, pensioner member, deferred member or pension credit member of the scheme. Most people will initially be active members i.e. where there is an arrangement to accrue benefits under the scheme.

That person may become a pensioner member i.e. if the person is entitled to a payment of benefits under the scheme. A deferred member is someone who has accrued rights under the scheme and is neither an active member nor a pensioner member. A member of the scheme does not always have to be an employee of the business the person can, for example, be a spouse.

Who may contribute to a SSAS

Contributions can be accepted from the employer, member or a third party. It does not need to take the form of "money" it can include an asset, such as commercial property or land.

Tax relief may be given, the amount of the tax relief depends on a variety of factors. There is no limit on the amount that can be paid in, only a lifetime limit on the total pension fund accrued in a tax efficient manner. Protection is available from the lifetime allowance in certain circumstances.

Tax relief and contributions

Personal member contributions are tax deductible, provided they do not exceed the lower of the annual allowance or total earnings within the same tax year. Tax relief is only granted on contributions up to 100% of earnings in any tax year, to the annual allowance which is presently £50,000.

Employer contributions are similarly unlimited and will receive tax relief in the year they are made provided they are wholly and exclusively for the purposes of the employer's trade. Tax relief will be spread if they are over £500,000 and constitute an increase of 210% or more over the previous year's contributions.

If the total of the employer's contribution for a particular member plus the member's personal contribution exceeds the annual allowance then the member may have to pay tax on the excess. However see carry forward and unallocated contributions below.

Carry forward

Tax relief on contributions in excess of the annual allowance can be given through unused annual allowances from the previous three qualifying tax years. This will be based upon a notional £50,000 annual allowance cap for each year, you will need to deduct any contributions paid during those tax years and any excessive contributions will need to be accounted for. We will work this out for you.

Non allocated contributions

Where there are two or more members in a SSAS, contributions paid by the business can be non- allocated, this can allow for tax planning where the business is seeking to pay more than the annual allowance for the current year, but the trustees are willing to allow the annual allowance excess to be spread over future tax years. We can give specialist guidance on this.

Tax efficiency

SSAS is a very tax efficient scheme, investments (other than dividend income) grow free from UK capital gains tax and income tax. Other tax efficient features include:

2 SSAS technical key features

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- In the event of death before the benefits come into payment, a tax free cash lump sum may be paid out - in most circumstances this will be the whole of the value of the accrued fund.
- Lump sum death benefits can be paid until age 77, free from inheritance tax where the benefits have not been paid out;
- A tax-free lump sum can be taken after age 55.
- There is no compulsory requirement to purchase an annuity

Transferring in benefits from other schemes

Pensions can be transferred in or assigned from other pension schemes. It is important that advice is sought prior to any transfer in of benefits; we do not provide investment advice.

Investment choice

There is no restriction on any investment choice however certain investments are taxable.

In summary you can invest in any area you deem appropriate for the scheme however residential property in the UK and/or Overseas is taxable. Personal chattels such as Antiques, Fine wines, work of art, etc... are taxable and should be avoided. Personal loans are also taxable in addition to loans family "connected" persons. If you invest in unquoted shares, provided that the Company is not connected to you then this is acceptable.

A list of the main investment categories is given below:

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| • Cash deposits | • Institutional deposits |
| • Quoted equities on recognised worldwide stock exchanges | • Shares in the principal employer (please seek advice prior to this investment) |
| • Gilts, Bonds and Fixed Interest Stocks | • Shares in private companies (unconnected rules apply) |
| • Investment Trusts | • Secured loans to the employer |
| • Quoted equities | • Secured or unsecured loans to unconnected parties |
| • Futures and options | • Offshore funds |
| • Image rights | • Land |
| • Copyrights | • Commercial Property |
| • Trademarks | • Industrial property |
| • Unit Trusts and OEICS | |
| • Investment Companies | |
| • Insurance company funds | |

Taxable investments

- | | |
|-----------------------------------|--|
| • Residential property | • Rare books |
| • Unsecured loans to the business | • Stamps |
| • Fine wines | • Yachts |
| • Works of art | • Gold Kruggerands |
| • Vintage/Classic cars | • Loans to member trustees or their families |
| • Antiques | • Jewellery and gemstones |

Property purchase

Buying and investing in property is very tax efficient.

Where property is acquired from a connected party or the business, an independent valuation is required. That property must be acquired on commercial rates. The property can be sold or "contributed" to the Scheme, the usual tax concessions apply.

A business looking to raise cash, could sell the property to the Scheme if it held assets such as other pension investments arising from transfers in, the property once sold allows the members/directors of the business to retain assets in the Scheme. If there are insufficient funds available within the SSAS the trustees can borrow up to 50% of the net value of the SSAS's funds to buy the property. The trustees take on the borrowing, which is not reflected in the employer's accounts. The property held by the scheme is typically leased to the business at normal commercial terms. The growth in the value of the property is free from Capital Gains Tax and income tax.

Off plan "residential" investments

There has been much speculation about off-plan residential investments. Off-plan residential property investment can be transacted via Pension Practitioner .Com. However, the land must not have been previously used for residential purposes and the property must be disposed of prior to the property being fit for purpose in a certain manner. Where the investment is for a short term profit, the transaction is likely to meet the badges of trade test and as such the scheme will need to pay the income tax due. Due to the complexity of this transaction, specialist advice must be sought.

Loans

Loans are restricted to a maximum of 50% of the net SSAS fund. Such loans must be secured against assets by way of a first charge. The nature of the asset can be a fixed or floating asset. The maximum term permitted is five years, with the interest being at least 1% above the average base-lending rate of the six main high street banks. It is not possible to make loans to the member or anyone connected to them, unconnected third party loans are acceptable. Loans to third parties are not restricted to 50% of the fund and need not be secured.

Share in the principal employer

Investment in the shares of the principal employer or any other associated employer is restricted to less than 5% of the fund in any one such employer; and less than 20% of the fund in shares in all such employers.

Borrowing

The maximum the SSAS can borrow is 50% of its net fund value at the date of the loan. There is no restriction from whom the lending may be made from or the terms of the loan. Any borrowing in excess of 50% must be held outside the SSAS.

3 SSAS technical key features

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Taking the benefits from the SSAS

There is no requirement to retire from employment to take the benefits. There is no requirement to purchase an annuity.

A quarter of the accrued fund is usually taken tax free; the balance can be taken as taxable income. Members may start to take their benefits at any time from age 55. Benefits must have commenced by age 77. When a member takes benefits from the scheme the total value of their pension funds from the SSAS and any other pension arrangements they have will be tested against the current lifetime allowance. If the lifetime allowance is exceeded, there may be a tax charge.

Pension

Pension benefits will be treated as earned income, there are a variety of pension options available, the most common are:

- An unsecured pension, where the pension is taken from the fund via income withdrawal
- A scheme pension, paid over the member's lifetime. This is paid also from the scheme and is a form of annuity albeit paid out of the resources of the scheme.
- An annuity, which is secured by placing the funds with an insurance company

Dependants

A dependant is defined widely it can include the following:

- a spouse at date of death;
- a child under 23;
- a child over 23 dependent on grounds of physical or mental impairment;
- a person who is not a spouse or child of the member, but
 - is financially dependent on the member;
 - has a financial relationship with the member and a mutual dependency;
 - is a person who is dependent on the member on the grounds of physical or
 - mental impairment.

Death before benefits are paid

A lump sum up to the current lifetime allowance can be paid tax-free. Funds in excess of the lifetime allowance will be taxable. The whole fund may be used to pay dependants' pensions.

- Death after benefits are paid out
- Where the member dies after taking benefits separate conditions apply as per the following:

Before age 77

A lump sum death benefit can be paid of the full value of the fund as a lump sum less tax at 55%. Alternatively, dependants/spouse's pension can be paid from the SSAS which is taxed as earned income for the life of the spouse.

After age 77

No lump sum death benefit can be paid as a general rule; with the exception of a guarantee of continuing instalments as a lump sum within 5 years of death following commencement of pension income. Depending on the type of pension chosen will reflect the death benefit rules applying. Generally speaking, dependants'/ spouse's pensions can be provided via a SSAS and will be taxed as earned income. If a member dies and there are no dependants to whom benefits can be paid the fund can be:

- redirected to other members of the scheme according to the prior wishes of the member;
- retained by the trustees to be reallocated to other members;
- returned to the employer less a 35% tax charge;
- given to a charity, previously nominated by the deceased member, tax-free.

Winding up the scheme

The SSAS may be wound up at anytime, members benefits must be first secured, with any non allocated funds being paid back to the business less a 35% tax charge.

Fee Menu

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Pension Practitioner .Com operates on fixed fee terms, our fee menu is simple, comprehensive and for the personal service we provide very competitive.

Scheme set up fee

£800 for one member - this cost includes:

- Provision of trust deed and rules
- Provision of letters confirming membership of the SSAS
- Provision of nomination of beneficiary forms for death benefits
- Registration of the scheme with HM Revenue and Customs
- Registration of the scheme with the Pensions Regulator
- Opening of scheme bank account
- Assistance and technical guidance

For each additional member of up to three persons inclusive please add £400.

A reduced rate applies where there are more than three scheme members.
A reduced rate applies where the membership includes children and/or dependants.

Annual administration fee

£800 for one member. For each additional member of up to three persons inclusive please add £400.

A reduced rate applies where there are more than four scheme members.
A reduced rate applies where the membership includes children and/or dependants.

The annual administration fee is intended to include the comprehensive administration of the scheme for a year.

- Pension accounting for tax returns
- HMRC scheme return
- HMRC event reports
- Returns to the Pensions Regulator
- Annual trustees report
- Annual benefit statement
- Reclaim tax relief on pension contributions, where applicable
- Monitor and record of pension scheme loans and borrowings
- Monitor and record benefits in payment
- Monitor the lifetime allowance and preservation of pension benefits
- Payment of death benefits
- Assistance and guidance as may be required from time to time to assist with the smooth running of the scheme
- Monitor and record rental income from property

Takeover fee

£600 for one member - this cost covers:

- Provision of new trust deed and rules
- Provision of a deed of removal of trustee (as appropriate)
- Disclosure to HMRC and the Pensions Regulator on takeover and changes of trustee
- Removal of outgoing advisor
- Review of current scheme correspondence and updating the administrative affairs of the scheme
- Completion of HMRC forms and certifications
- Establish scheme records and collation of information relating to the member's other pension arrangements
- Removal of Pensioner Trustee (as appropriate) to the scheme's investments

For each additional member of up to three persons inclusive please add £400.

Terms of Payment

1. The scheme set up and takeover fee is payable in advance.
2. The takeover fee excludes alteration to the Land Registry for any properties in the co-name of the outgoing trustee.
3. The annual administration fee is payable quarterly in advance by direct debit.
4. All fees quoted are exclusive of VAT
5. Terms of business will be with the trustees of the scheme.
6. This fee menu forms part of our terms of business.

What is not included in the annual administration fee.

- Legal related services for pension scheme loans.
- Administration of pension transfer in - £200 per scheme transfer; a reduction will be given for three or more transfers in.
- Renewal fee with the Data Protection Registrar (£35).
- PAYE set up £300.
- PAYE annual tax returns £400.
- Annual renewal to the Pensions Regulator (£29 for two members). This amount is reviewable each year by The Secretary of State for Work and Pensions.
- An annual trustee meeting.
- Provision of Scheme accounts for two or more members.
- Wind up of the Trust.
- HMRC investigation and enquiries.