



**BEST ONLINE SIPP PROVIDER**  
HARGREAVES  
LANSDOWN



# HARGREAVES LANSDOWN

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Company Registered in England and Wales No. 1896481. Registered Office at address shown.

Asset Management Ltd

One College Square South  
Anchor Road  
Bristol  
BS1 5HL

Telephone: 0117 980 9926  
www.hl.co.uk

Mrs M Baker  
4 Steadings Rise  
Knutsford  
Cheshire  
WA16 0WB

18 October 2018  
Client number: 1997649

Dear Mrs Baker

## HL Vantage SIPP – Uncrystallised Funds Pension Lump Sum (UFPLS)

I am pleased to confirm safe receipt of your application to take a lump sum payment from your HL Vantage SIPP and proof of age documentation.

The total lump sum payment of £28,145.05 will be received into your chosen account within 5 working days. Please note, by taking this lump sum you have flexibly accessed pension benefits.

Summary of payment details:	
Date flexible benefits (UFPLS) paid	18 October 2018
Gross Lump Sum Payment (less fee)	£40,000.00
Tax-Free Cash Element	£10,000.00
Taxable Balance	£30,000.00
Tax code applied	1185L M1
Tax deducted	£11,854.95
Net Payment	£18,145.05
Total Lump Sum Payment	£28,145.05
Account Closure Fee	N/A
Lifetime Allowance used	3.2%

**IMPORTANT:** If this is the first time you have flexibly accessed pension benefits the future total contributions to all your money purchase (e.g. personal and self-invested) pension schemes, including the HL SIPP, are now limited by the money purchase annual allowance - MPAA. This is £4,000 for 2018/19. These allowance figures are gross and include any applicable tax relief received or due on net contributions.

### What you need to do:

HM Revenue & Customs rules require you to notify all your money purchase pension providers (including 'cash balance' and 'hybrid' schemes) with whom you are currently building up pension benefits that you are now subject to this money purchase annual allowance. You can do this by providing them with a copy of this letter or by otherwise notifying them that you have received this letter and the date that you first flexibly accessed benefits. **You must do this within 91 days from the date you receive this letter.**

If you start to build up benefits in another money purchase pension (including 'cash balance' and 'hybrid' schemes) in the future, you must pass a copy of this letter to your provider, or otherwise notify them of the date that you first flexibly accessed benefits, **within 91 days of your first contribution to that scheme.** If you start building up pension benefits more than two years after you first flexibly accessed pension

benefits you can inform your pension scheme that it was more than two years ago, rather than supplying the exact date.

If you have previously flexibly accessed pensions (for instance taking income from flexible drawdown or taxable lump sums from the HL SIPP or pensions held elsewhere) this restriction will already apply. You do not need to provide this notification to your pension provider(s) if you have already done so.

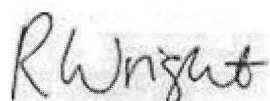
**What happens if you exceed this allowance?** An annual allowance tax charge will apply to contributions made by you, or on your behalf, which exceed this limit. The standard annual allowance for other types of pensions (e.g. a final salary or other defined benefit pension scheme) will also reduce by £4,000. Any money purchase contributions will continue to count towards the overall standard annual allowance (£40,000 in 2018/19).

**More on the standard annual allowance and money purchase annual allowance:** the standard annual allowance (£40,000 in 2018/19) is the total amount you are able to contribute into all pensions without incurring a tax charge. After flexibly accessing pension benefits your future contribution allowance into money purchase (e.g. personal and self-invested) pension schemes is reduced to £4,000 a year. This can also apply to 'cash balance' and 'hybrid' schemes. Please contact your pension provider if you are unsure if this applies to you.

**What is the lifetime allowance?** The total combined value of benefits a person can save across all their pensions. The allowance for tax year 2018/19 is £1.03 million. The lifetime allowance is measured each time you access pension benefits and when you reach age 75. Please note the lifetime allowance figure above is important information that you may have to produce at a later date if you take additional retirement benefits.

If you have any questions, or would like more information on the annual allowance, please do not hesitate to contact us on 0117 980 9926 or email [sipp@hl.co.uk](mailto:sipp@hl.co.uk).

Yours sincerely



Russell Wright – Head of Retirement  
Hargreaves Lansdown Asset Management Ltd