



MORGAN
LLOYD[®]



Key Features of the
OUTLOOK SIPP
Self Invested Personal Pension

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Morgan Lloyd SIPP Services Limited is authorised and regulated by the Financial Conduct Authority (FCA). Details of Morgan Lloyd SIPP Services Limited's FCA authorisation can be obtained on the FCA register at www.fca.org.uk/register.

The information contained in this document is based on our understanding of current pension law and taxation and is correct at the time of publishing.

Key Features of the **OUTLOOK SIPP** *(Self Invested Personal Pension)*

The Financial Conduct Authority is the independent financial services regulator. It requires us, Morgan Lloyd SIPP Services Limited, to give you this important information to help you decide whether our product 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 purpose of this document is to help you make an informed decision. It is therefore important that you understand the risks and features of this plan. This document should be read alongside other supporting material with assistance from your Financial Adviser, who will help you decide whether to invest and which investments are appropriate for you.

If there is anything you do not understand, or if you would like further advice on any aspect of this document, please contact your Financial Adviser.

What is the Outlook SIPP?

The Outlook SIPP is a type of pension known as a Self Invested Personal Pension (SIPP). This type of pension allows you the flexibility to make your own decisions regarding how you invest your money, and how you choose to draw benefits at retirement.

The scheme offers a wide range of investment choices, along with generous tax privileges.

The information within this document is based on Morgan Lloyd SIPP Services Limited's understanding of current law and HMRC practice.

Who will administer my Plan?

Morgan Lloyd SIPP Trustees Limited is the Trustee of the Outlook SIPP and Morgan Lloyd SIPP Services Limited is the Administrator.

The scheme is established under Trust and registered with H M Revenue and Customs (HMRC). It is governed by a Trust Deed and Rules.

When you apply for an Outlook SIPP, Morgan Lloyd SIPP Services Limited will establish a plan for you within the scheme which is established under trust by us and registered with HMRC. Each Outlook SIPP is governed by the Trust Deed and Rules, which sets out how we must operate the scheme. A copy of the Trust Deed and Rules is available on request.

What other documents should you read?

This document provides you with the key points about the Outlook SIPP and should be read with the Terms and Conditions document and other supporting material.

ITS *Aims*

- To build up a sum of money in a tax efficient way to provide a pension at retirement. You may take a tax free cash lump sum (pension commencement lump sum) in exchange for part of your pension
- Control to invest in assets of your choice
- Options for providing benefits for your beneficiaries following your death
- The ability to transfer your existing pension benefits into your Outlook SIPP (subject to having received financial advice)

YOUR *Commitment*

- Make a personal contribution or transfer payment, or to have an employer make a contribution on your behalf
- Take responsibility for the management of the investments within your fund, with the help of your Financial Adviser
- Provide us with the information we need from time to time to administer your SIPP, including any changes to your eligibility for tax relief or any changes to your residency
- To decide how and when you wish to receive benefits
- To keep sufficient funds in the SIPP bank account to pay all fees due, as set out in the SIPP Menu of Charges

RISK *Factors*

Circumstances can change and a number of factors can have an impact on the level of pension you receive from your Outlook SIPP.

- Morgan Lloyd does not offer advice on the suitability of the Outlook SIPP. You must seek advice from your Financial Adviser prior to becoming a member
- You should review your pension arrangements regularly with your Financial Adviser to check your SIPP continues to meet your needs
- The favourable tax treatment of SIPPs may change in the future
- Investment performance of your chosen assets or investments is not guaranteed and may be better or worse than expected
- Past investment performance is not necessarily a guide to the future
- Breaches of legislation may result in tax charges and penalties being imposed by HMRC
- You should consult your Financial Adviser if you wish to transfer any existing pension arrangements to your Outlook SIPP

The level of benefits payable from your fund depends on a number of factors including:

- Investment performance of your chosen assets
- The level of contributions made into your fund
- Changes in interest rates and exchange rates
- Annuity rates (i.e. the rates used to convert your fund to a pension income)
- When and how you decide to take your benefits - if you take a high level of income from your fund this may not be sustainable
- Tax charges applied to your fund

QUESTIONS

and Answers



What is the Outlook SIPP?

The Outlook SIPP is a personal pension which allows you to make your own investment decisions about how funds are invested.

You or your employer can make contributions into the Outlook SIPP in a tax-efficient way to provide you with a pension at retirement.

What is Morgan Lloyd's role?

Morgan Lloyd SIPP Services Limited is the Administrator and will ensure the scheme is administered in accordance with the applicable rules and legislation. The Administrator will have the following responsibilities:

- Providing legal Trust documentation to establish and govern the scheme and registering the scheme with HMRC
- Maintain up to date and accurate records of scheme investments, income and expenditure
- Liaise with HMRC where necessary and file scheme reports when required
- Morgan Lloyd SIPP Trustees Limited acts as a bare Trustee in relation to the Assets of the Outlook SIPP. The Trustee is the legal owner of all SIPP Assets and is responsible for signing and sealing legal agreements and documentation. The Assets of the SIPP Fund will be registered in the name of the Trustee and be held on behalf of the member.

What are the payment options?

You can contribute to the Outlook SIPP by either:

- One-off payments and regular payments either personally or by your employer
- Transfer of pension benefits from other suitable pension arrangements.

You can stop paying, or take payment holidays and restart payments later. Morgan Lloyd does not apply a penalty for stopping contributions, although in some instances, your investment provider may do so. Stopping payments, even temporarily, will reduce the potential value of your fund at retirement.

Are there any contribution limits?

There are no upper limits on the amount that you or a third party can contribute to your Outlook SIPP in a tax year, but there are limits on the level of contributions that will attract tax relief. If any contributions are made in excess of the maximum amount that can receive tax relief, then the excess contributions may be refunded to you.

Tax relief will be granted on contributions up to 100% of your relevant UK earnings capped at the current Annual Allowance. If you do not have earnings you may contribute up to £3,600 gross in the tax year.

The Annual Allowance is determined by the Government and is currently £60,000 (although if you have already started drawing a pension or your annual income exceeds £260,000, a lower limit may apply).

If you have taken certain benefits from your fund, a lower annual allowance called the Money Purchase Annual Allowance (MPAA) will apply to future contributions to money purchase pension schemes, which includes your Outlook SIPP. The MPAA is currently £10,000. See the section below titled *What benefits can I take?* for details of what triggers the MPAA.

The Annual Allowance applies as a total limit across all your registered pension schemes in a tax year.

Any contribution paid in excess of the Annual Allowance will be taxed at your marginal rate of income tax. You should consult with your Financial Adviser if you think you may be close to or exceed the Annual Allowance in a particular tax year.

Are there any other limits on my plan?

From 6 April 2024, the government has set a Lump Sum Allowance (LSA) and Lump Sum and Death Benefit Allowance (LSDBA). These limit the amount of your pension that you can take as a tax free lump sum, and the amount that can be paid as a tax free lump sum to beneficiaries on your death. They may also affect the availability of certain lump sum payments, depending on how much of the allowances you have available. The allowances are reduced when certain lump sum payments are made from 6 April 2024, and in line with the amount of Lifetime Allowance used before 6 April 2024. The Lifetime Allowance was a limit previously set by the government on accumulation of funds in registered pensions without incurring a tax charge. The new allowances are based on the previous value of the Lifetime Allowance, which was £1,073,100 for the tax year ending 5 April 2024. The Lump Sum and Death Benefit Allowance is therefore £1,073,100, and the Lump Sum Allowance is 25% of this amount, therefore £268,275. If you took retirement benefits from a pension scheme before 6 April 2024, but did not take the maximum lump sum available, you may be able to apply to your pension scheme(s) for an enhancement to your remaining LSA and LSDBA.

You may also be entitled to higher allowances, if you had a protected Lifetime Allowance, if you applied to HMRC before 6 April 2009 for Enhanced or Primary Protection, or if you have since applied for any of Fixed Protection 2012, Fixed or Individual Protection 2014, or Fixed or Individual Protection 2016. You can apply for Fixed Protection 2016 and Individual Protection 2016 until 5 April 2025.

If you have protection you will need to supply Morgan Lloyd SIPP Services Limited with the confirmation from HMRC of protection applicable to you on applying to join the Outlook SIPP, or when protection is granted by HMRC if later.

When can I take my benefits?

You can start to take benefits from your Outlook SIPP at any time from the age of 55 (or earlier in certain limited circumstances, e.g. when you retire due to ill health or you have an occupation that HMRC determines has a lower minimum retirement age).

You do not have to retire or stop work to take your benefits from your Outlook SIPP. You can take your benefits in stages (i.e. the full value of your fund does not have to be used to provide benefits at one time).

What benefits can I take?

Pension Commencement Lump Sum (PCLS) – you can normally take up to 25% of your pension fund as a tax free lump sum, called a Pension Commencement Lump Sum (this may be limited by the LSA or LSDBA – see

above for details. The remainder of your fund is used to provide an income either through drawdown from the fund, or purchasing an annuity. Any pension income taken from your fund will be treated as earned income and therefore liable to income tax. Taking a PCLS will reduce the amount available to provide income. The amount and availability of PCLS may be limited by the LSA or LSDBA.

Drawdown – this is an income paid direct from the pension fund, and can be either Capped Drawdown or Flexi Access Drawdown.

Capped Drawdown is only available where you had an existing Capped Drawdown fund prior to 6 April 2015. If you have uncrystallised funds, you can designate further amounts to your Capped Drawdown fund. You can also transfer in a Capped Drawdown fund to your SIPP and continue in Capped Drawdown. The maximum annual amount that can be taken under Capped Drawdown is set by the Government, and is reviewed every three years or every year, depending on your age. If you exceed the maximum amount, your Capped Drawdown fund will automatically convert to Flexi Access Drawdown.

Flexi Access Drawdown is available to anyone with uncrystallised funds, or those already in Capped Drawdown. There is no limit on the annual amount that can be paid under Flexi Access Drawdown. If you take any income at all from a Flexi Access Drawdown fund, the Money Purchase Annual Allowance will apply to future contributions – see the section above titled *Are there any contribution limits?*

Uncrystallised funds pension lump sum (UFPLS) – you can take a lump sum from your fund, which is usually 25% tax free with the remaining 75% treated as earned income and therefore liable to income tax. The tax free portion may be limited by the LSA or LSDBA – see section above titled *Are there any other limits on my plan?* for details. If you take an UFPLS, the Money Purchase Annual Allowance will apply to future contributions – see the section above titled *Are there any contribution limits?*

Annuity – an annuity is an income purchased from an annuity provider using your pension fund. The income is paid for life and the amount will depend on the size of your fund, as well as factors such as age, and whether you want the annuity to increase while in payment. Enhanced annuities may be available for people with certain health conditions.

Ill health benefits – it may be possible to take benefits before age 55, if the Administrator is satisfied that you meet certain conditions. In cases of serious ill health it may be possible to take all of your fund as a lump sum (if taken before age 75 this is tax free up to your LSDBA, with the remainder taxed at your marginal rate; if taken aged 75 or older, the full amount is taxed at your marginal rate). The conditions for ill health and serious ill health benefits are specified in legislation.

Pension Wise

Pension Wise is a government service from MoneyHelper that offers free, impartial guidance about your pension options. An appointment with Pension Wise is free and will help you understand what your overall financial situation will be when you retire. It'll talk you through your options to help you make the right decision. You'll also find out about the other factors you need to consider when deciding on your options before retirement.

You can book an appointment by phone on 0800 138 3944 (+44 20 3733 3495 if you're outside the UK) or online at: <https://www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise/book-a-free-pension-wise-appointment/how-to-book-a-phone-appointment/book-a-phone-appointment>.

What about tax?

Subject to the limits outlined above, your personal contributions to the Outlook SIPP will be net of basic rate tax. We will claim the basic rate tax relief from HMRC and will credit any basic rate tax reclaimed to your fund.

If you are a higher rate tax payer then you may be able to claim tax relief at the higher rate. We will reclaim the basic rate and you must reclaim the additional amount through your self-assessment tax return.

We recommend you seek tax advice if you are in any doubt about the tax implications of contributing to the Outlook SIPP.

You will not be subject to income tax on contributions paid by your employer.

Investments (other than dividend income) in the Outlook SIPP grow free of capital gains tax and UK income tax.

You may normally take up to 25% of your fund as a tax free lump sum (this may be limited by the LSA or LSDBA – see section above titled *Are there any other limits on my plan?* for details) from age 55. Any pension income taken from your fund will be treated as earned income and therefore liable to income tax.

Although the inheritance tax position can be complex, lump sum death payments can normally be paid from your Outlook SIPP fund free from inheritance tax.

What are the Charges?

You should refer to the Fees and Charges section of the Terms and Conditions and the Outlook SIPP Charges Schedule for full details of the administration Charges applicable to the Outlook SIPP.

Please read all documents carefully to make sure you understand the charges involved in running the SIPP.

In addition to the Outlook SIPP administration charges, your Outlook SIPP may also incur the following costs.

Investment Fund Provider Charges:

- The Investment Fund Provider nominated by you to carry out your investment instructions will charge you for their services. These Charges will vary depending on the Investment Fund Provider. These Charges will be deducted from your Outlook SIPP funds held by the Investment Fund Provider.

Financial Adviser fees:

- You and your Financial Adviser will agree a level of fees that will be paid to your Financial Adviser from your Outlook SIPP fund.

What happens if I die whilst a member?

If you die before age 75:

- Your pension funds can be paid to your beneficiaries as a lump sum and/or income
- Lump sum payments are tax free up to the Lump Sum and Death Benefit Allowance (LSDBA) if paid within two years. Lump sums in excess of the LSDBA, or paid more than two years after death, are taxed at the recipient's marginal rate of income tax.
- Income payments are tax free, if paid from funds designated to drawdown within two years of death. Income paid from funds designated to drawdown more than two years after death, are taxed at the recipient's marginal rate of income tax.

If you die aged 75 or older:

- Payment of your death benefits will be taxed
- If your beneficiaries use the funds to take income or a lump sum, this will be taxed at their marginal rate of income tax

If you die after purchasing an annuity:

- A dependant's pension, if selected, will be paid for their lifetime
- Your annuity will be paid for any guarantee period specified at outset

Can I transfer other pension arrangements in to my SIPP?

You can transfer other existing pension arrangements you have into your Outlook SIPP fund, including arrangements already in income drawdown. You should discuss this first with your Financial Adviser to ensure this is the right option for you.

Some arrangements levy penalties if you transfer out or you may lose the benefit of guaranteed annuity rates or benefit promises depending on the nature of the scheme from which the transfer would be made.

Can I transfer my SIPP to another scheme?

You can transfer your Outlook SIPP fund to another suitable pension arrangement.

In some cases it may be possible to transfer Assets in-specie (this means you won't have to cash them in).

An additional Charge for dealing with the Transfer Out will be made. Details of this and all other Charges are included in the Outlook SIPP Charges Schedule.

Where can I go for further information?

This document is a guide to the Key Features of the Outlook SIPP. It does not include the full Terms and Conditions.

For more detailed information about the Outlook SIPP, please refer to the Trust Deed and Rules and the Outlook SIPP Terms and Conditions.

Do I have the right to cancel?

You have the right to cancel membership of your Outlook SIPP within 30 days of the acceptance of your application.

If you decide you wish to cancel your application for Membership to the Outlook SIPP you must notify Morgan Lloyd SIPP Services Limited, in writing, to the postal or email address confirmed in the 'How to contact us' section of this document.

If you instruct us to complete an investment within your Outlook SIPP within the applicable cancellation period, your cancellation rights will lapse and you will no longer be able to cancel your application to the Outlook SIPP.

Separate cancellation rights may apply to any investment within your Outlook SIPP. You should contact the investment provider directly for details of their cancellation rights.

What if I have a complaint?

If you are not happy with the service you have received from Morgan Lloyd SIPP Services Limited, please contact:

The Compliance Officer
Morgan Lloyd SIPP Services Limited
The Outlook
Eden Park
Ham Green
Bristol
BS20 0DD

Your complaint will be dealt with in accordance with our internal complaints handling procedures.

If your complaint is not dealt with within 8 weeks, or if you are not satisfied with the outcome, you may refer the matter to the Financial Ombudsman Service.

The Financial Ombudsman Service's details are:

The Financial Ombudsman Service
Exchange Tower
London E14 9SR
Tel: 0800 023 4567
www.financial-ombudsman.org.uk

Making a complaint will not prejudice your right to take legal proceedings.

Any complaint regarding the advice given to you by your financial adviser should be referred to them for review under their own complaints process.

If something goes wrong, am I entitled to compensation?

The Outlook SIPP is covered by the Financial Services Compensation Scheme.

You may be entitled to compensation from the scheme if we cannot meet our obligations.

Morgan Lloyd SIPP Services Limited will make such a claim on behalf of the Outlook SIPP following a written request from you.

How to contact us

If you require further information regarding the Outlook SIPP please contact us on:

Morgan Lloyd SIPP Services Limited
The Outlook
Eden Park
Ham Green
Bristol
BS20 0DD

Telephone number: 01275 379 222

Email: mlhartley1@morgan-lloyd.co.uk



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