

@sipp



Flexibility, Accessibility, Integrity & Transparency

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ISSUE 05

FEES HELD FOR 2010 – NO INCREASES!



In recent months we have experienced the ups and downs of the stock market. We have had calls for change and fairness from the political parties, and we have experienced travel uncertainty because of the Icelandic volcano (no prizes for being able to pronounce the volcano's name).

@sipp is pleased to provide stability, with fairness and certainty, and is happy to announce that there is NO CHANGE to our fees for 2010.

@sipp is proud that since we started, our fees have been based on a flat fee structure. Members know in advance what the SIPP fees

are and do not have surprises notified to them via their annual reports.

Our continuing growth has been on the back of excellent service, and the relationship built up with Financial Advisors who have faith in the @sipp staff to provide the administration and back up required for a fair and reasonable fee.

If you want to investigate the flexibility of @sipp, why not give us a try? In doing so, you could benefit from fairness and certainty, in addition to our guarantee of NO FEE INCREASES this year.

@sipp Website – New and Improved

Demand for on-line access and functionality has increased greatly in recent times – the emergence of on-line banking being one example. @sipp are always looking at ways to improve our overall service and we realised there was an obvious opportunity by embracing current technology to improve our on-line services. The first stage of this commitment is now complete, with the launch of our new website.

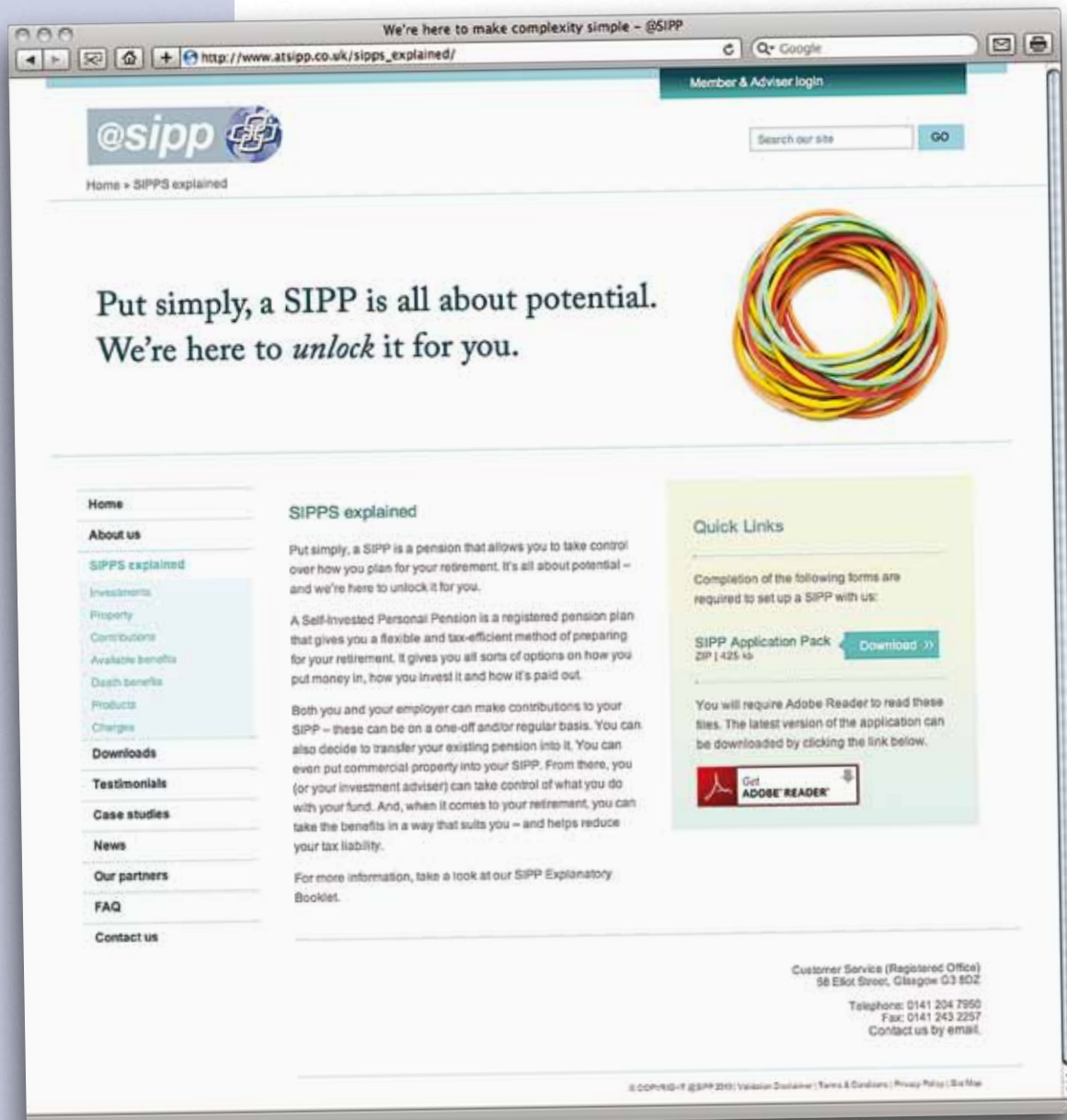
A key feature of the new website is the ability to access SIPP-Web. This allows members and their advisers quick and secure access to all the relevant information about their SIPP. If you would like to arrange access to SIPP-Web, or find out more about how it works, please get in touch.

As well as adding on-line access, we have also taken the opportunity to refresh the content of the

website. A news section has been added to allow us to communicate up-to-date information to our website visitors. We have also included an overview of the @sipp team to allow further insight into the people behind our business – smiley, happy(ish) photographs included.

We would stress this is only the beginning of our website development. Planned features under development include on-line form completion and adviser access to our illustration system.

Whilst we acknowledge further development will be required to evolve our on-line functionality, we hope this initial development is evidence of our commitment to embrace technology to improve our overall service. If you have any opinions of how we could further improve in this area, we would greatly appreciate your suggestions.





Coalition Emergency Budget: June 2010

Some Key points of the budget which are relevant to SIPP's.

Age 75

The Government has announced that it will end the requirement to use a pension fund to buy an annuity by age 75 with effect from 2011–2012.

The Finance Bill 2010 will introduce an immediate change, increasing from 75 to 77 the age by which SIPP members will have to buy an annuity or ASP.

The increase in the age by which the member must secure an income takes effect on or after 22 June 2010.

Until measures are finalised in 2011-12 there will be a tax charge of 35% on lump sum death benefits paid by the scheme if a member dies on or after the 22 June 2010 and is aged 75 or over. The specific IHT death charges on pension scheme members who are in drawdown and are aged 75 or over when they die, will not apply in these circumstances.

(SIPP members are required to purchase an annuity or take income as an Alternative Secured Pension (ASP) from age 75. Any fund not taken as income or paid out to charity or dependants is subject to tax and may also incur Inheritance Tax subjecting a charge of up to 82%.)

Pensions - Annual Allowance

The Government announced it is considering restricting pensions tax relief from 6 April 2011, by reforming the existing pension savings allowances,

principally by significantly reducing the annual allowance. The Government will discuss the changes with interested parties but provisional analysis has suggested that the level of a reformed annual allowance may be in the region of £30,000 to £45,000.

The reformed allowances would replace the high income excess relief charge, which currently is due to come into force on 6 April 2011. Legislation will be brought in to allow the high income excess relief charge legislation to be repealed.

VAT

The standard rate of VAT is to be increased from 17.5% to 20% effective from 4 January 2011.

It is important to establish at the outset if VAT is applicable on a property purchase in order to ensure that appropriate funding is in place.

The impact on a commercial property purchase using SIPP funds can be neutral where the transaction is a 'transfer of going concern' (TOGC).

Rental payments due from SIPP properties may be affected by the increase in VAT. The rent due from tenants will increase. In most cases the tenants will be VAT registered and can offset any increase against VAT payments to HMRC.

Martin Batchelor

You may recall that in a recent newsletter we announced the appointment of Martin Batchelor to the role of Area Relationship Manager, with responsibility for most of England, and specific focus on the M62 corridor.

Eight months into the role, Martin has steadily built strong relationships not only with our established key introducers, but has also forged significant links with new FA practices.

Martin's experience has always been within the Financial Services sector, including 16 years as a successful IFA, gaining Diploma status. His experience of dealing with HNW clients at PricewaterhouseCoopers and latterly KPMG means he fully appreciates what is important both to the businesses we work with and their clients, having personally dealt with some extremely complicated SSAS and SIPP business whilst advising sophisticated investors. This, he feels, is helping to build the long term relationships he is keen to develop.

Martin has noticed that, as a result of the current economic climate, there are more clients requiring business cash injections. One solution has been through the placing of commercial property into SIPP. There has been a clear increase in the requirement for joint client visits to discuss this, although interest into investments into unlisted shares is also growing. To this end, he has been asked on several occasions recently to present to introducers on these technical issues.



Aberdeen IFAs Raise Money for the Heart Foundation Charity



June saw the annual Aberdeen IFA Forum Golf day. This event was a very special day for raising funds for the Heart Foundation Charity.

@sipp is proud to have been a sponsor of this event at which over 30 participants brought their clubs to compete in a Stableford competition over 18 holes at the scenic Kemnay Golf Course.

This event has been a regular feature of the Aberdeen IFA scene for many years and has been an excellent event to meet and compete with fellow advisers from the Aberdeenshire area.

@sipp congratulate the organising committee and the participants in making the day an enjoyable success by raising a significant sum for the Heart Foundation Charity.



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