



alteration to income form

FOR DIRECT CLIENTS



Every section must be completed

This form is to instruct @sipp to amend your chosen income (including where you wish to switch from Capped Drawdown to Flexi-access Drawdown). This form will be used to alter the level of your pension benefits on an execution-only basis, i.e. without a regulated adviser conducting the transaction on your behalf following financial advice given to you.

Have you taken pensions guidance from Pension Wise in relation to this alteration to income request?

Yes No

You now have more options on what you can do with your pension savings. The decision to access your pension savings is an important one. We strongly recommend you get guidance or regulated advice to help you with your decision. Pension Wise is a new and impartial service from the government that will offer you:

- Tailored guidance (online, over the telephone or face to face) to explain what options you have and help you think about how to make the best use of your pension savings
- Information about the tax implications of different options and other important things you should think about
- Tips on getting the best deal, including how to shop around.

To receive free, impartial guidance from the government go to www.pensionwise.gov.uk

If you have not received pension guidance from Pension Wise, do you still want to proceed with this alteration to income request despite the availability of this service?

Yes No

Timescales & Processing

Requests for income amendments must be received no later than the 3rd or 15th of the month before income payments are to commence on the 18th or 1st of the month respectively, e.g. where income payments are to commence on the 1st October, the instruction must be received no later than the 15th September.

Income payments will be brought forward where the 1st or 18th of the month falls on a weekend, statutory holiday or other non-business day. Pension payslips will be issued directly to the member. Income payments will be paid by BACS.

Part A Your Request

If you wish to vary income from a capped drawdown fund please go straight to PART B.

There are some important decisions you must take when you take your pension benefits. In some instances these choices will be irreversible. People who do not take guidance from Pension Wise or regulated advice may not be well equipped to make these decisions.

Under FCA rules, we are required to ask you relevant questions to determine whether risk factors are present and, where appropriate, a risk warning must be given.

Please complete all the following questions in this section.

1.

An annuity typically pays a guaranteed income for life. The rate of income paid is, amongst other things, based on life expectancy.

In some cases, for people in poorer health and/or with lifestyles that may reduce their life expectancy, some annuity providers recognise this by paying higher incomes through their annuities.

If you have poor health or a lifestyle that could reduce life expectancy (i.e. heavy smoker) then you may be eligible for a better value annuity, for example an enhanced annuity.

Are there any aspects of your health or lifestyle that could potentially shorten your life expectancy?

Yes No Not Sure

2.

There are different ways of accessing your pension benefits. You may be considering accessing your pension benefits via drawdown where funds are taken directly from your pension savings.

Unlike some other ways of accessing your pension, such as buying an annuity with some or all of your pension savings, there are no guarantees attaching to taking benefits via drawdown.

This is because the amount of benefit paid to you, as income, is determined by the value of your pension savings at the time.

Do you understand that there are no guarantees attaching to the amount of income paid via drawdown?

Yes No Not Sure

3.

In the past a pension fund has been viewed as a savings plan aimed at providing an income in the later years of one's life (i.e. anytime after age 55), either until death or beyond through benefits for dependants and/or beneficiaries.

Accessing some or all of a pension fund using drawdown can jeopardise the ability to fund income in later life and beyond for dependants/beneficiaries. This is because the funds are exhausted quicker, or all in one go, meaning there is little or no money left in the pension pot to either access and/or commit to an annuity should a guaranteed income be required.

Are you reliant on the funds within this pension pot to provide an income through your later years/retirement and, where applicable, for your dependants/beneficiaries after your death?

Yes No Not Sure

4.

When electing to take pension savings by drawdown the remaining pension savings will remain invested until it is decided to draw these remaining funds as an income. The investments remaining within the pension may fall as well as rise and this could decrease future income that is able to be taken from the pension savings. Moreover certain investments may be difficult to value and/or sell when access is required, leading to potential costs and/or delays in payment of benefits.

Are you comfortable in your understanding of the effect that the investment of your pension savings has on your future income from these savings?

Yes No Not Sure

5.

Typically when accessing pension savings, benefits can be paid as a combination of a tax-free lump sum and income. The tax-free lump sum usually represents 25% of the funds accessed with any income from the remaining 75% of the portion subject to income tax.

The income from the remaining 75% of the fund can either be taken in stages (drawdown) or in one go. The income taken from your pension pot is added to any other income you receive and this determines what, if any, rate of tax you pay. It follows therefore that the more income you take, particularly if taken in one payment from your pension rather than in stages, the higher your income will be and therefore a potentially higher rate of tax paid, especially if you cross into a higher tax band.

Are you comfortable that you fully understand the income tax implications of taking your benefits by drawdown?

Yes No Not Sure

6.

One of the attractions of a pension fund is that generally investments grow free of tax.

Consequently it follows that one of the impacts of moving funds out of a pension is that if funds are reinvested in investments held personally, the tax treatment of those investments may not be as favourable as if the funds were left invested in the pension pot. Therefore a consideration of accessing pension funds, with a view to possibly reinvesting the funds personally is possibly higher tax charges than if the funds were left in the pension pot.

The other potential impact is that whilst funds are held in a pension pot they are outside of a person's estate for inheritance tax purposes whereas once paid to the individual from the pension pot, they could fall within the person's estate. By accessing pension savings it could mean that the benefits may not pass as tax efficiently to dependants and/or beneficiaries.

Are you comfortable that you fully understand the tax implications of taking your benefits by drawdown, insofar they relate to investments and inheritance tax?

Yes No Not Sure

7.

Where benefits are paid from a pension pot the investments held within the pension generally have to be converted into cash to allow the benefits to be paid. This sometimes results in charges or fees being incurred.

If the intention is to reinvest some or all of the benefits into other investments then this too may incur charges, i.e. there would be two sets of charges incurred - the selling costs within the pension and the buying costs incurred by the person. Similarly if you invest in other savings plans, these may well have charges attaching.

Consequently the impact of charges and fees needs to be considered when taking benefits.

Are you comfortable that you have considered the impact of charges or fees by investing any benefits you take from your pension elsewhere?

Yes No Not Sure

8.

Funds held within a pensions pot offer some protection against a person's creditors. This is because generally the funds within a pension scheme are ring-fenced (as they are held by trustees) meaning creditors cannot access these funds directly.

Consequently if a person has a debt which they cannot pay, whilst creditors may be able to force the sale of assets held personally to repay the debt, the pension pot is not an asset the creditor can access.

If funds within a pension pot are accessed via drawdown then these funds become held personally and therefore could be available to creditors in the event of an unpaid debt.

Are you comfortable in your understanding that creditors may have a call on any money taken from your pensions savings?

Yes No Not Sure

9.

Where an individual is declared bankrupt or is an undischarged bankrupt by accessing pension benefits a trustee in bankruptcy can apply to the court for an income payments order under the terms of the Insolvency Act 1986.

Are you or is there the possibility of you being declared bankrupt or are you currently an undischarged bankrupt?

Yes No Not Sure

10.

Increasingly state benefits are becoming means-tested. Often means-testing is based on a person's individual wealth and/or income rather than necessarily what funds are held in their pension pot. By accessing pensions savings through drawdown this could increase a person's wealth and/or income that could impact on any means-tested benefits received.

Are you aware that accessing pensions savings via drawdown this could impact on any means-tested benefits you receive and the implications this will have on your personal circumstances?

Yes No Not Sure

11.

The incidents of investment scams have increased over recent years. Such scams can be far ranging and by way of example have included schemes such as overseas forestry, farmland or property investments. Often pension savings have been targeted for these investments although pension providers now have tightened their controls to prevent such investments occurring. As a consequence there is a fear that those involved in pension scams may instead seek to entice people to access their pensions savings with a view to persuading them to invest in unsafe investments.

The FCA have produced various warnings on this matter within the 'Consumers/Scams' section of their website.

Are you aware that investment scams exist, often targeting pensions savings, and that care should be taken when investing any funds taken from your pensions pot?

Yes No Not Sure

12.

The total contributions that can be made to all pension schemes are restricted by the annual allowance. This is currently £40,000 for the 2017/18 tax year. Once pension savings have been flexibly accessed via flexi-access drawdown (and income paid) the annual allowance is automatically reduced to £4,000.

Are you aware that flexibly accessing your pension savings will reduce your annual allowance to £4,000?

Yes No Not Sure

13.

One of the impacts of the new rules allowing greater pensions flexibility that came into effect in April 2015 was greater choice in the range of products available to access pensions savings. This adds potentially more complexity when deciding how to access pension savings - choices are increased and all have pros and cons, including taxation and cost. Consequently it is advisable to research all available options and ideally take advice from a suitably qualified and authorised adviser.

Are you satisfied that you have adequately researched and understood the options available to you in accessing your pensions savings and that you are making an informed choice in the method you have selected?

Yes No Not Sure

If you have answered "No" to questions 2, 4, 5, 6, 7, 8, 10, 11, 12, 13 or "Yes" to questions 1, 3, 9 or "Not Sure" to any of the above questions this suggests financial advice is particularly recommended in your circumstances.

Part B Personal Information

@sipp Member Number

Permanent Residential Address

Telephone Number

Mr/Mrs/Miss/Ms/Other		Surname		
Forename(s)				
Postcode				
		Date of Birth		

Part C Pension Income Options

- | | | |
|---|--------------------------|-----------------|
| Vary income from a Capped Drawdown fund | <input type="checkbox"/> | Complete Part D |
| Vary income from a Flexi-Access Drawdown fund | <input type="checkbox"/> | Complete Part E |
| Switch from Capped to Flexi-Access Drawdown | <input type="checkbox"/> | Complete Part F |

Part D Vary Income From A Capped Drawdown Fund

I wish to take a Gross Annual Income of:

Specified Amount

Please Specify Amount £

Capped Maximum

Frequency of Payment

Single Payment

Half Yearly

Monthly

Annually

Quarterly

Part E Vary Income From A Flexi-access Fund

I wish to take a Gross Annual Income of:

Specified Amount

Please Specify Amount	£
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Maximum (i.e whole of fund)

Frequency of Payment

- Single Payment Half Yearly
 Monthly Annually
 Quarterly

If you receive an income from a Flexi-Access Drawdown Fund you will be subject to the Money Purchase Annual Allowance rules. You must tell all schemes of which you are a member that you are subject to the Money Purchase Annual Allowance rules. You should speak to a financial adviser.

Part F Switch From A Capped To Flexi-access Drawdown

I wish to take a Gross Annual Income of:

Specified Amount

Please Specify Amount	£
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Maximum (i.e whole of fund)

Frequency of Payment

- Single Payment Half Yearly
 Monthly Annually
 Quarterly

If you receive an income from a Flexi-Access Drawdown Fund you will be subject to the Money Purchase Annual Allowance rules. You must tell all schemes of which you are a member that you are subject to the Money Purchase Annual Allowance rules. You should speak to a financial adviser.

Part G Disinvestments

If there are not sufficient monies available in your @sipp bank account to pay benefits, please advise from where monies should be disinvested.

Asset Name	Asset Number	Amount £

Part H Bank Details

Account Name

Account Number

or Building Society Reference

Sort Code

Bank or Building Society

Address

Postcode

If this is the first time Income is being taken, we require a copy of your bank statement to validate the above details. Failure to provide this with the Alteration to Income form will result in the income request being delayed until such evidence is provided.

Part I Member Declaration

I request and consent to the payment of benefits as set out in this Alteration to Income Form.

I understand and agree that:

- I will be able to change the amount of income, but if I choose to do so an additional charge on my fund will be incurred to meet the additional administration cost – please refer to the alteration of income charge stated on our fee schedule
- If I select an amount of Capped Drawdown income which is above the Government Actuary Department's upper limit then @sipp will pay income equal to the upper limit
- If I select to receive an income from a Flexi-Access Drawdown fund, or I convert a Capped Drawdown fund to a Flexi-Access Drawdown fund and then receive an income from that fund, I will be subject to the Money Purchase Annual Allowance rules
- Where the Money Purchase Annual Allowance rules apply to me, I am required to tell all schemes of which I am a member that I am subject to the Money Purchase Annual Allowance
- I will be responsible for ensuring that there is enough cleared money in the designated account in good time to pay any benefits I have chosen to take
- I will not hold @sipp liable if the income is paid late due to delayed or inadequate investments instructions
- I declare that the information contained on this form is, to the best of my knowledge and belief, true, complete and not misleading
- I will indemnify the Scheme Administrator against any liability to pay tax or other charges which arise out of the provision of false or misleading information
- I have read and understood the timescales that will apply to this request.

Member's Signature

Date

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If you receive an income from a Flexi-Access Drawdown Fund, or convert your Capped Drawdown Fund to a Flexi-Access Drawdown Fund and then receive an income from that fund, you will be subject to the Money Purchase Annual Allowance rules. You must tell all schemes of which you are a member that you are subject to the Money Purchase Annual Allowance rules. You should speak to a financial adviser.



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