



## Towry SIPP Terms & Conditions

**Towry Pension Trustees Limited**  
Towry House Western Road Bracknell Berkshire RG12 1TL

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## 1. Understanding this document

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### 1.1 About these Terms & Conditions

These Terms and Conditions set out the basis of the contract between you, the member, and Towry Pension Trustees Limited, the Trustee of the Scheme.

We recommend that you read these Terms & Conditions thoroughly in conjunction with the relevant Key Features Document(s).

In the event of a conflict between the provisions of the Scheme Rules and these Terms and Conditions, the Scheme Rules will prevail.

### 1.2 Definitions

**The Towry SIPP** is a Registered Pension Scheme as defined in Part 4 of the Finance Act 2004 and governed by the Trust Deed and Scheme Rules. Any reference to “your Towry SIPP”, “the Towry SIPP” and “Towry SIPP” carries the same meaning throughout this document and any other documents you receive from us.

The section below sets out the meaning of key words and phrases that are used in these Terms & Conditions. There are also some shortened descriptions that we use in the document such as the ‘Scheme’ when we talk about the Towry SIPP.

Any reference to ‘we’, ‘our’ or ‘us’ refers to Towry Pension Trustees Limited as Trustee and/or Administrator of the Scheme. Any reference to ‘you’ or ‘your’ refers to you as a member of the Scheme.

**Act:** means the Finance Act 2004 as amended from time to time and any statutory re-enactment or modification of it.

**Administrator:** means Towry Pension Trustees Limited.

**Advisory Investment Manager:** means an investment manager who provides you with advice on which investments to buy or sell.

**Annual Allowance:** means the annual limit on tax privileged pension savings paid by you or on your behalf in a given tax year to a Registered Pension Scheme.

**Appropriate Scheme:** means a scheme that satisfies the conditions required to contract-out of the State Second Pension (S2P), previously known as the State Earnings Related Pension Scheme (SERPS).

**Arrangements:** means sections within your Towry SIPP to distinguish different funds held i.e. Protected and Non-Protected, crystallised and uncrystallised funds.

**Business Day:** means any day excluding weekends and public holidays.

**Crystallised:** means any part of your Towry SIPP where you have taken benefits.

**Defined Benefit Scheme:** means a scheme where benefits are determined by salary and years of service rather than a fund that has been accumulated.

**Dependant:** means someone who is financially dependent on you. This could include a spouse or civil partner, a child under 23 or someone who is dependent because of physical or mental impairment.

**Designated Member Bank Account:** means a bank account that has been opened specifically for your Towry SIPP.

**Discretionary Investment Manager:** means an investment manager you have appointed to undertake investment decisions on behalf of your Towry SIPP.

**Execution only:** means an investment service where you receive no advice and therefore you are responsible for deciding which investments to buy and sell.

**HMRC:** means Her Majesty's Revenue & Customs.

**In-specie:** means where you transfer the physical asset rather than selling it and transferring the proceeds.

**Income Withdrawal:** means the mechanism by which you can draw income directly from your pension fund.

**Income Withdrawal Fund:** means the fund that has been designated by you to provide you with a pension.

**Lifetime Allowance:** means the amount of fund that can be accumulated and drawn as tax privileged pension savings when you take benefits.

**Lifetime Annuity:** means an annuity purchased from an insurance company that provides you with an income for life.

**Minor:** means a person who is under the age at which one legally assumes adulthood and is legally granted rights afforded to adults in society. In this document it refers to anyone under the age of 18.

**Nominated Beneficiary:** means a person or other legal entity you have nominated to receive part or all of your Towry SIPP in the event of your death.

**Non-Registered Pension Scheme:** means any scheme that is not registered with HMRC whether the scheme is based in the UK or overseas.

**Non-Protected Rights:** means funds accrued in respect of contributions made by either you, your employer or by someone else on your behalf.

**PAYE:** means the payroll deduction system in which tax is deducted from a person's income, Pay As You Earn.

**Pension Commencement Lump Sum:** means the amount that you can take as a lump sum from the Pension Fund at the time you designate all or part of the Pension Fund as Income Withdrawal or to purchase a Lifetime Annuity without incurring a tax charge.

**Pension Fund:** means the fund available to provide pension benefits.

**Protected Rights:** means funds accrued in respect of contracting-out of the State Second Pension (formerly SERPS) or from the State Second Pension (S2P).

**Qualifying Recognised Overseas Pension Scheme (QROPS):** means a Recognised Overseas Pension Scheme that satisfies certain HMRC requirements.

**Recognised Overseas Pension Scheme:** means an overseas pension scheme which is established in a country or territory which satisfies certain UK legislation.

**Registered Pension Scheme:** means a UK pension scheme that at any time when, either through having applied for registration and been registered by HMRC, or through acquiring registered status by virtue of being an exempt approved pension scheme on 5 April 2006, is registered with HMRC.

**Relevant UK Earnings:** means income from employment or which is immediately derived from a trade, profession or vocation or patent income of an individual in respect of an invention.

**Scheme:** means the Towry SIPP.

**Serious Ill Health Lump Sum:** means a lump sum payable where the member has provided medical evidence that they have less than a year to live and they meet the necessary conditions to allow a lump sum to be payable.

**Trivial Commutation Lump Sum:** means a lump sum payable if certain conditions are met including that the value of your pension savings do not exceed the maximum amount as stipulated by HMRC.

**Trustee:** means Towry Pension Trustees Limited.

**Uncrystallised:** means any portion of your Towry SIPP from which you have not taken benefits.

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## 2. About Membership

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### 2.1 Membership of the Scheme

To apply for membership of the Scheme you must complete an application form and provide any other forms that are required depending on your personal circumstances.

If you are under the age of 18, you are classified as a minor and as such, your legal guardian must sign the application form for your Towry SIPP on your behalf. Your legal guardian will then be responsible for your Towry SIPP as if they were the member until you reach the age of 18. Until you reach the age of 18, only your legal guardian will be able to give instructions to us on your behalf. All of your other rights and obligations under these Terms and Conditions will apply to your legal guardian until you reach the age of 18 at which point they will automatically apply to you.

We reserve the right, without giving any reason, to decline any application for membership made by you or on your behalf.

Once you have been accepted as a member of the Scheme, your membership will be confirmed by a Schedule or Schedules which will be issued to you. Please keep all of these documents in a safe place. Your membership number (shown on your Schedule(s)) should be quoted when you make any enquiries about your Towry SIPP.

Any enquiries about your Towry SIPP should be addressed to:

Pension Operations, Towry Pension Trustees Limited, Towry House, Western Road, Bracknell, Berkshire, RG12 1TL

### 2.2 Changes in Circumstances

How some of the features described in this document apply to you will depend on your circumstances.

You must notify the Scheme Administrator if:

- (i) you cease to be a resident in the United Kingdom; or
- (ii) you cease to have Relevant UK Earnings or have previously ceased to have Relevant UK Earnings and you start to receive them again; or
- (iii) you cease to be entitled to receive tax relief on your contributions to the Scheme, or
- (iv) you change your name by marriage or by Deed Poll.

### 3. About the Scheme

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#### 3.1 Operation of the Scheme

The Scheme is established by a Trust Deed and is operated by Towry Pension Trustees Limited in accordance with the Trust Deed and the Scheme Rules.

The Trustee, Scheme Administrator and Operator of the Scheme is Towry Pension Trustees Limited.

Towry Pension Trustees Limited is authorised and regulated by the Financial Services Authority (FSA).

Towry Pension Trustees Limited is entered on the FSA's register and our FSA registration number is 465128. This can be checked on the FSA's register by visiting the FSA's website [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) or by contacting the FSA on 0300 500 5000. The FSA's address is: The Financial Services Authority, 25 The North Colonnade, Canary Wharf, London, E14 5HS.

Any assets within your Towry SIPP are held in trust by the Trustee and are kept separate from any other assets of companies within the Towry group. Towry Pension Trustees Limited is the legal owner of any asset and you are the beneficial owner. Benefits provided by the Scheme are payable by the Trustee.

These Terms & Conditions explain the main effects on you and your Dependants of the Trust Deed and Scheme Rules. You may apply to the Trustee (at the address in the About Membership section) to request a copy of these documents if you wish.

#### 3.2 Tax Status

The Scheme is a Registered Pension Scheme under Part 4 of the Act (HM Revenue & Customs reference number PST 00605342RZ).

The Scheme is also an Appropriate Scheme and can accept Protected Rights transfer payments.

Statements in these Terms & Conditions about the tax treatment of contributions and benefits are dependent on the Scheme continuing to be a Registered Pension Scheme. They are based on current legislation governing Registered Pension Schemes which may change in the future. Your own circumstances will also affect how these rules apply to you.

#### 3.3 Conditions applying to your Towry SIPP

Payment of any benefits will be subject to you, or any beneficiary, providing suitable evidence of identity as required by the Trustee.

The payment of any pension benefits to you or your Dependants will also require evidence of your, or your Dependants', date of birth.

## 4. Contributions

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### 4.1 Eligibility

There are no restrictions on eligibility to join the Scheme. However, there are HMRC requirements that must be met by you in order to benefit from tax relief on contributions paid to your Towry SIPP. Broadly, these requirements relate to you either having had relevant UK earnings chargeable to income tax in the tax year of the contribution or having been resident in the UK during a qualifying period.

If you are not resident in the UK, any contributions you make will not receive tax relief.

Employer contributions are always treated as having been made gross.

If any other third party contributes on your behalf, the contribution will be deemed as having been paid by you for tax purposes.

Contributions to your Towry SIPP will only be accepted into your Non-Protected Rights Uncrystallised Arrangement.

### 4.2 Regular Contributions

Contributions to your Towry SIPP may be paid at any time prior to your 75th birthday. Regular contributions can be paid by Direct Debit, either monthly, quarterly or annually.

### 4.3 Single Contributions

Single contributions can be paid to your Towry SIPP at any time before your 75th birthday.

### 4.4 Payment of contributions

Contributions can only be paid in sterling and via the following methods:

- Cheque
- Direct Debit
- BACS
- CHAPS

We do not accept payment in cash or by debit or credit card payments or standing order. Regular contributions can only be paid by Direct Debit, however, all other acceptable methods can be used for single contributions.

### 4.5 National Insurance Rebates

The Scheme does not accept Minimum Contributions (National Insurance Rebates) arising from contracting-out of the State Second Pension Scheme (S2P).

### 4.6 Tax Relief on Personal Contributions

In the tax years in which you meet HMRC requirements to qualify for tax relief you are entitled to tax relief on contributions of up to 100% of your Relevant UK Earnings. However, if your Relevant UK Earnings are less than HMRC's 'basic amount' (currently £3,600) you are still eligible for basic rate tax relief on contributions of up to the 'basic amount'.

For your own contributions the Scheme Administrator will reclaim basic rate tax relief from HM Revenue & Customs on your behalf. If you are a higher or additional rate taxpayer you may be eligible to reclaim further tax relief through your Self Assessment Tax Return. If you are employed and your employer is making contributions, these are paid gross.

#### 4.7 Tax Charges on Contributions

If the total of all contributions paid into all Registered Pension Schemes, by you or on your behalf, is more than the Annual Allowance you may be subject to a tax charge. (Note: if you have benefits under a Defined Benefit Scheme, it is the increase in value of your benefits over the scheme year that count and not the actual contribution to the scheme).

#### 4.8 Receipt of Contributions

The date of receipt of contributions to your Towry SIPP, for HMRC purposes, depends on the way in which the payment is sent. The deemed date of receipt may be important to you when close to the end of the tax year. The dates are shown below:

**Cheque:** The date the cheque is physically received by Towry Pension Trustees Limited.\*  
**Direct Debit:** The date that the payment was scheduled to be collected.\*  
**BACS/CHAPS:** The date the funds show as cleared in your Towry SIPP.

\* If the cheque does not clear because there are insufficient funds available or if funds are not available in time for the Direct Debit collection no contribution will be made. If you make a subsequent contribution or re-present the cheque, the date of the contribution will be dependent on the date the new payment is received and not the date of the previous failed payment. This is particularly important when making contributions close to the end of the tax year.

#### 4.9 Refund of Contributions

You may choose to have a refund of any of your own pension contributions on which you are not eligible for tax relief. However, a refund can only be made within a 1 year period commencing on the last day of the tax year in which the contribution was made. Furthermore, whilst any refund request that you make will be noted immediately, refunds are made by us at certain times during the year and so payment may not be immediate. There will be no right to interest during the period between your request and the payment being refunded. You will need to inform the Administrator if you are entitled to a refund of contributions and provide the appropriate supporting evidence to enable a refund to be made. Please note that employer contributions cannot be refunded to members.

## 5. Transfer Payments

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### 5.1 Transfer payments into your Towry SIPP

Transfer payments into your Towry SIPP can be made at any time from the following sources:

- UK Registered Pension Schemes.
- Recognised Overseas Pension Schemes.
- Non-Registered Pension Schemes.

You can transfer plans that are Uncrystallised, Crystallised or partially Crystallised

A transfer payment can be made in cash or other acceptable assets. However, where a transfer consists of assets being moved in-specie, we require a list of the assets from the transferring scheme and will confirm which assets can be accepted into your Towry SIPP. Whether an asset is acceptable will depend not only on our requirements but also those of your nominated investment manager.

You are responsible for contacting the transferring scheme and obtaining the necessary documentation for us to complete the transfer payment.

All assets will be held in an electronic format (i.e. no physical certificates/documents of ownership will be held) unless this is not possible due to the nature of the particular asset. Assets which are held electronically will be registered in the name of a nominee, for your benefit, in accordance with the investment arrangements you have made e.g. if you have appointed an investment manager or stockbroker, they will have a nominee arrangement for assets purchased via your Towry SIPP on your behalf. If you do not nominate an investment manager or stockbroker, we may select a firm so that your investment instructions can be carried out.

Where assets cannot be held electronically, we will provide the transferring scheme with the details required to re-register the asset into the Scheme. In some cases, holding an asset may incur additional costs. Please refer to our Schedule of Charges for further information.

We do not accept any liability for any delay caused by the transferring scheme.

### 5.2 Pensions in payment

Any pensions that are in payment can be accepted provided that the whole pension is being transferred. We cannot accept a partial transfer of any pensions in payment.

### 5.3 Block transfers

When you have certain protections in relation to your pension commencement lump sum entitlement or when you can take your benefits before the minimum Normal Retirement Age, you can only keep these benefits if your transfer forms part of a block transfer.

A transfer can only be deemed a block transfer if the following conditions are met:

- At least two members must transfer all of their cash and assets from the same transferring scheme to the same receiving scheme at the same time. In practice not all of the assets have to move on the same day but the transfers must have been processed at the same time and the assets have to be transferred at the earliest possible opportunity.
- The member must not have been a member of our Scheme for more than 12 months before the date of the transfer.

#### 5.4 Protected Rights

The Scheme can accept transfer payments in respect of benefits arising from periods of employment when you have been contracted out of the State Earnings Related Pension Scheme (SERPS) or the State Second Pension (S2P). The Scheme does not accept Minimum Contributions (National Insurance Rebates) arising from contracting-out of S2P.

#### 5.5 Transfer payments out of the Scheme

You can choose to transfer your pension to another provider at any time. If the transfer payment is to another Registered Pension Scheme, the transfer will not give rise to any tax charge. Any transfer overseas can only be made to a Qualifying Recognised Overseas Pension Scheme (QROPS) and may be subject to a tax charge.

If you transfer a pension in payment, the transfer must continue to be used to provide income withdrawals under the receiving scheme. In addition, we do not permit partial transfers of a pension in payment. If you have Protected Rights funds, these can only be transferred to another Appropriate Scheme or to a QROPS, providing the transfer meets the conditions set out in the Scheme Rules and meets all requirements prescribed by the Department for Work and Pensions.

If you are transferring in-specie, please be advised that the transfer may take longer than a cash transfer, depending on the type of asset and how the asset is held. There may be restrictions under the receiving Investment Manager or the receiving scheme that prevents the assets transferring in-specie and this will be documented in their own Terms and Conditions.

## 6. Banking

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### 6.1 Designated Member Bank Accounts

All cash within your Towry SIPP is held in an interest-bearing Designated Member Bank Account operated by us and opened with a UK bank.

Any payments into or out of the Towry SIPP must go through this account, including contributions, transfers, tax relief, reclaims, dividends and distributions, charges, income withdrawals, annuity purchases and any payments to and from your chosen investment manager or stockbroker. Payments are not permitted to be made directly into any other accounts and all payments out must go through this Designated Member Bank Account first.

The account will be operated by us and we will be the authorised signatory. The account cannot be overdrawn.

Interest will be paid at the bank's prevailing rates from time to time for accounts of this type. Under current legislation, interest payable to Trustees of Approved Pension Schemes is paid gross.

### 6.2 Pooled Bank Accounts

There will be circumstances where your money will need to be deposited into one of our pooled client money bank accounts. This will be when we receive transfers or contributions by cheque, when we make bulk payments to an investment manager or stockbroker, or when we are paying money to you as a lump sum or an income payment.

When money is held in a pooled account, the money will be in the account for the minimum time necessary before being credited to the appropriate party or account. We will not pay you any interest on any money held within a pooled bank account.

### 6.3 Additional Bank Accounts

Whilst your Towry SIPP will always have a Designated Member Bank Account through which all monies must pass, you can instruct us to open a bank account with another deposit taker should you wish to do so. You will be responsible for providing us with the contact details of the bank with whom you wish to deposit your money.

Any external account set up is treated as an investment and subject to the relevant Towry SIPP charges. Please refer to our Schedule of Charges for further information.

## 7. Investments

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### 7.1 Permitted Investments

You may invest in any of the following:

- stocks and shares listed or traded on a recognised stock exchange;
- shares quoted on the Alternative Investment Market (AIM);
- futures and options, relating to stocks and shares, traded on a recognised futures exchange;
- unit trusts, investment trusts and open ended investment companies (OEICs);
- eligible shares i.e. shares in the company employing the member, and acquired through a savings related share option scheme/employee share ownership plan;
- interests in a recognised/designated collective investment scheme;
- insurance policies;
- traded endowment policies;
- deposits in any currency held in deposit accounts with a regulated deposit taker.

The Trustee has absolute discretion as to whether an investment is allowed to be held as an asset of your Towry SIPP. The Trustee also reserves the right to sell any investment held as an asset of your Towry SIPP at anytime, if they believe that the continued holding of that asset jeopardises the registered position of the scheme.

The Trustee may, from time to time and at its absolute discretion, consider other types of investment to those listed above as permitted. If you wish the Trustee to consider an asset which is not listed above, please forward details to Pension Operations, Towry Pension Trustees Limited, Towry House, Western Road, Bracknell, Berkshire RG12 1TL.

### 7.3 Appointing an Investment Manager

Subject to the Trustee's agreement, you can appoint an investment manager in the capacity of a Discretionary Investment Manager, an Advisory Investment Manager or to act for you on an Execution Only basis. You can also appoint more than one investment manager if you wish. In all circumstances the investment manager must be authorised and regulated by the FSA and their appointment agreed by us. If an investment manager ceases to be regulated by the FSA we reserve the right to terminate the agreement and would require you to make alternative arrangements for any assets currently held by that investment manager, provided that the new investment manager is agreed by us. If you fail to comply with the above we reserve the right to choose an investment manager for you and will not be liable for any associated costs.

When you appoint an investment manager on a discretionary or advisory basis, you will agree an appropriate investment strategy with the investment manager. Responsibility for all investment transactions by the investment manager and the performance of your investments rests with you and the investment manager. You will also be responsible for agreeing any charges that the investment manager will deduct.

When you appoint an investment manager on an Execution Only basis, responsibility for all investment management decisions, investment transactions and the performance of your investments rests with you. This is because the investment manager's role is solely to execute trades and hold the assets. You will also be responsible for agreeing any charges that the investment manager will deduct.

Any appointment of an investment manager will be subject to our Terms and Conditions for investment managers. If an investment manager does not comply with our Terms and Conditions we reserve the right to terminate the agreement and would require you make alternative arrangements for any assets currently held by that investment manager, provided that the new investment manager is acceptable to us. If you fail to comply with the above we reserve the right to choose an investment manager for you and will not be liable for any associated costs.

#### **7.4 Investment instructions**

Investment instructions must be provided to us (or any relevant investment manager appointed in accordance with these terms) in writing with your signature. A fax of the instruction is acceptable. The instruction must be clear and provide all the necessary details to identify the investment that is to be purchased or sold. This includes, but is not limited to, the share class, whether it is institutional or retail units, whether it is accumulation or income units and the currency denomination of the investment.

NB – e-mail communications – Although we do not normally accept instructions via e-mail, if we communicate with you by e-mail, this shall be at your explicit request or in response to an e-mail sent by you, which we will treat as being a request. In requesting e-mail communications, you confirm your understanding and acceptance that e-mail communications are not secure and may be intercepted by unauthorised third parties. If you wish to send instructions via e-mail these must be sent only to the following address: [Pensions.Operations@towry.com](mailto:Pensions.Operations@towry.com)

We will not accept any investment instructions from anyone other than you unless we have your written authority to do so.

Instructions will only be carried out if the investment is permissible and there are sufficient funds available to cover the cost of the investment and any associated charges.

#### **7.5 Best execution**

When executing orders on your behalf in relation to certain investments we will take all reasonable steps to achieve what is known as Best Execution (as defined in the Markets in Financial Instruments Directive) of your order, which is essentially to achieve the best outcome for our clients. In order to comply with our obligations in relation to Best Execution we have in place an Order Execution Policy. Our Order Execution Policy is reviewed at least annually and also whenever a material change occurs that affects our ability to continue to provide Best Execution. A summary of our Order Execution Policy is set out at the end of these Terms and Conditions.

#### **7.6 Investment income**

Any investment income arising from the assets of your Towry SIPP and interest earned on the balance on the Towry SIPP bank account and any additional bank accounts held will be credited to, and form part of, the assets of your Towry SIPP. Any loan or interest expense relating to your Towry SIPP will be debited to, and form part of, the liabilities of your Towry SIPP.

Tax deducted from UK investment income (other than dividend tax) may be reclaimed by us from HMRC. Any reclaims will be paid to your Designated Member Bank Account once we have received payment from HMRC.

#### **7.7 Corporate actions**

We may receive information from investment managers or fund providers notifying us of any corporate actions in respect of investments held in your Towry SIPP. We will make all reasonable endeavours to send these notices to you in a timely manner. We shall not be responsible for any loss or forgone profit resulting from third parties providing untimely information which may prevent us from passing relevant data to you in good time.

We will not process any corporate actions without your instruction to do so. We do not allow the appointment of a proxy.

## 8. Your Pension Benefits

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### 8.1 Commencement of your Benefits

Your benefits are not guaranteed. They will depend on contributions you made to your Towry SIPP, the returns from the investments held in your Towry SIPP, the charges that are deducted from your Towry SIPP and the cost of converting your Pension Fund into an income when you decide to take benefits.

You may elect to take benefits at any time from age 55.

It may be possible for you to commence benefits earlier than your 55th birthday if:

- (i) you provide the Trustee with evidence that you have stopped work because you are incapable of carrying on your occupation because of physical or mental impairment, or
- (ii) you were a Member of the Scheme on 5 April 2006 and had provided the Trustee with evidence that you were at that time in one of certain special occupations set by HM Revenue & Customs, or
- (iii) you transferred in a pension with a Protected Retirement Age and your transfer met the conditions of a block transfer.

The amount available to provide benefits at any date will be the market value of the investments held within your Towry SIPP.

Benefits will only be paid in Sterling (GBP) to a bank account in your name or to an account on which you are a joint signatory.

### 8.2 Pension Commencement Lump Sum

You may, at any date from age 55 on which you choose to take benefits, take part of your Towry SIPP as a Pension Commencement Lump Sum.

### 8.3 Pension

You can take either or a combination of:

- (i) an income provided by buying a Lifetime Annuity with an insurance company, or
- (ii) an income drawn directly from your Pension Fund (Income Withdrawal).

Income can be taken monthly, quarterly, half-yearly or annually in advance or in arrears. When income is taken monthly or quarterly you must hold cash in your Designated Member Bank Account of an amount equivalent to six months' of the income level being drawn. Where income is taken half-yearly or annually we require that the amount to be drawn as income is available in cash in your Designated Member Bank Account at least three months before the payment is due.

Income payments are made by us on the 7th and 21st of each month by BACS. Should you require an ad-hoc payment you will need to provide us with at least 10 working days notice and ensure that cash is available in the Designated Member Bank Account at least 5 working days before the dates shown above.

As the Designated Member Bank Account cannot be overdrawn, you should provide instruction regarding the liquidation of assets when you make benefit requests if there is not sufficient cash available as detailed above. If you do not provide liquidation instructions, we may at our absolute discretion liquidate assets to meet the requirements.

#### **8.4 Reaching age 75**

When you reach age 75, the Scheme Administrator is required by law to conduct a Lifetime Allowance test on your pension fund. In the event of a Lifetime Allowance charge being payable the Scheme Administrator will deduct this amount from your pension fund and account for it to HMRC.

#### **8.5 Protected Rights**

When you have both Protected and Non-Protected Rights in your Towry SIPP, there are certain requirements when you come to take benefits.

Department for Work and Pensions (DWP) regulations require that Protected Rights cannot be eroded ahead of Non-Protected Rights funds in any circumstance. Therefore, if you are taking benefits, the benefits provided by both the Protected and Non-Protected Rights arrangements must be in proportion. This applies to both the amount you crystallise and the amount of income you are taking.

Any request that would lead to an erosion of your Protected Rights will not be actioned. If you require a certain amount of income or pension commencement lump sum, we will calculate how much you will need to crystallise from each arrangement and how much income you will need to take.

## 9. Death Benefits

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### 9.1 Nomination of Beneficiary

You may nominate any person or legal entity as your Nominated Beneficiary. In addition, you may nominate more than one beneficiary.

You must make a nomination when you apply to be accepted as a member of the Scheme. You can change your nomination at any time by completing a further nomination form and sending it to us. The new nomination will supersede any previous nominations.

In relation to any Non-Protected Rights, your nomination is not legally binding on us. The Trustee has absolute discretion regarding the payment of these benefits in accordance with the Scheme Rules.

In relation to any Protected Rights, your nomination is binding. Therefore, the payment of benefits in the event of your death will be to your Nominated Beneficiary unless legislation requires that we must pay those benefits to another person.

You may choose to assign the death benefits from your Towry SIPP to a separate trust. If you wish to do so, you should take your own professional advice and contact us in advance. We reserve the right to review and approve any proposed trust documentation (although we are not obliged to do so). If documentation is used that we have approved, we will not be obliged to deal with or recognise the trustees of that arrangement, save to the extent required by law.

### 9.2 Options available to Nominated Beneficiaries

The options available to nominated beneficiaries in the event of your death are determined by HMRC rules. Under these rules, the options available to your dependent(s) may differ according to their relationship with you and whether the benefits in question are Protected Rights or Non-Protected Rights.

### 9.3 Investments

In the event of your death any investments will continue to be held until we have received a written decision from the Nominated Beneficiaries. During this time, however long this may be, the value of investments may fluctuate and we will not be liable for any loss in the value of your fund due to a fall in the value of the investments between the date of your death and the Nominated Beneficiaries making a decision.

Any Uncrystallised death benefits must be paid out within two years of the date we are notified of death in order to be paid outside of your Estate for Inheritance Tax purposes. There is no time limit on the decision with regard to Crystallised funds.

## 10. Taxation of Benefits

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### 10.1 Income

Any income payable to you or anyone else is taxable and tax will be deducted at the appropriate rate based on the PAYE coding of the relevant individual as notified by HM Revenue & Customs. If you believe the code that you have been given is incorrect, you will need to speak to your local Inspector of Taxes as we can only apply the code we are given by them.

If you start taking income and we have not received a code for you, we will apply either the basic, higher or additional rate of tax until we receive a code for you. We will determine the temporary rate to be applied in such cases based on an income figure which broadly tracks the HMRC higher rate threshold as set from time to time. The actual figure we use to determine which temporary rate is applied may differ to the HMRC threshold. Any underpayment or overpayment of income tax may be rectified after your code is received from your local Inspector of Taxes, depending on your circumstances. If we cannot rectify the payment, you will need to write to HMRC to pay any extra tax due or to request a refund.

### 10.2 Lump Sums

A Pension Commencement Lump Sum is free from any UK taxes.

A lump sum death benefit payable from your Non-Protected Rights fund on death before age 75 is normally free from all UK taxes. On death after age 75 the lump sum death benefit is subject to a 55% tax charge, payable by the Scheme Administrator and deducted from your pension fund. The remaining fund is normally free from Inheritance Tax.

A lump sum death benefit payable from your Protected Rights fund will form part of your Estate and may be subject to Inheritance Tax. On death after age 75 the lump sum death benefit is subject to a 55% tax charge payable by the Scheme Administrator and deducted from your pension fund, before it is paid to your estate.

A serious ill-health lump sum payable before your 75th birthday is free from any UK taxes. After your 75th birthday, a serious ill-health lump sum will be subject to a 55% tax charge payable by the Scheme Administrator and deducted from your pension fund.

If you qualify to commute your Pension Fund as a trivial commutation lump sum, basic rate tax will apply. For uncrystallised funds, an element of the payment may be free from any UK taxes.

### 10.3 Pension Fund

When you take any pension benefits, if the total value, including any amount previously taken under all Registered Pension Schemes, exceeds your remaining Lifetime Allowance, you will be liable to a tax charge on the amount of the excess. The amount of the charge will depend on the form in which you take the benefits relating to the excess.

A Lifetime Allowance charge will also be payable if the amount payable as a lump sum on your death exceeds your remaining Lifetime Allowance.

Examples of how tax or tax relief may apply are based on our understanding of current tax legislation. Whether any tax will be payable and whether you qualify for tax relief will depend upon individual circumstances and may be subject to change in the future.

## 11. Communications

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### 11.1 General Communication

Unless we specifically agree otherwise, we will only accept communications (including instructions) from you in writing.

Although we do not normally accept instructions via e-mail, if we communicate with you by e-mail, this shall be at your explicit request or in response to an e-mail sent by you, which we will treat as being a request. In requesting e-mail communications, you confirm your understanding and acceptance that e-mail communications are not secure and may be intercepted by unauthorised third parties. If you wish to send instructions via e-mail these must be sent only to the following address: [Pensions.Operations@towry.com](mailto:Pensions.Operations@towry.com)

All written communications must be sent to Pension Operations, Towry, Towry House, Western Road, Bracknell, Berkshire, RG12 1TL or faxed to 01344 828923. All communications must be in English.

Any communications received before 3pm on a normal Business Day will be treated as having been received that day. Any communications received after 3pm will be treated as having been received on the next Business Day.

We will, upon receipt of your written authority, provide information about your Towry SIPP, and/or accept instructions in relation to your Towry SIPP from a third party. Your instructions to us must be clear about the access or control you wish to give to any third party and you should carefully consider any decision to allow a third party to have access to your information or to have authority to give instructions on your behalf.

We will send all correspondence to you at the last address you have notified to us in writing. You will need to read and check any documentation that we send you and notify us immediately if there are any errors or omissions.

We may need to call you in relation to your Towry SIPP without having been expressly invited to do so or write to you for information that we require in relation to the scheme which you will need to provide.

### 11.2 Client Reporting

We will provide you with a valuation of your Towry SIPP at least once a year. Ad-hoc valuations can be provided on request subject to a charge. Please see our Schedule of Charges for further details.

All valuations will be produced in sterling. Any non-sterling denominated assets will be converted to a sterling value using an appropriate exchange rate. We will use the most up to date prices for all your assets. Where an asset does not have regularly published prices we will use the last price provided to us.

For certain events e.g. when you take benefits, we are required to obtain market values for all of your assets. This may require the use of an independent valuer when unquoted assets are held. In these cases we will contact you and ask you to arrange for a suitable valuation to be provided. If you fail to comply we reserve the right to appoint an independent valuer on your behalf and have your Towry SIPP meet any costs associated with the valuation.

## 12. Charges

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### 12.1 Charges for your Towry SIPP

The charges payable to us in respect of your Towry SIPP and the circumstances in which they may be increased are set out in the Towry SIPP Schedule of Charges, as amended from time to time.

All the day-to-day costs arising from your Towry SIPP are all funded by your Towry SIPP. This includes, but is not limited to, your investment manager's charges, transaction costs for investments you buy and sell, as well as taxes and duties. Additional costs arising are less common but can include for example, and are not limited to, any costs or liabilities arising from scheme sanction charges, tax refunds, amounts returned to you or HMRC in relation to excess contributions, or administrative costs incurred by us in complying with a court order served on us relating to you or your Towry SIPP.

When appropriate, any such costs will be charged to your Towry SIPP and deducted from your Designated Member Bank Account. If there are insufficient funds on account we may, at our absolute discretion, recall any available cash with your investment manager(s) or additional bank account.

If there are insufficient funds available, we will write to you setting out your options to make a payment. This may include making a payment outside of your Towry SIPP to pay the charge directly or selling Towry SIPP assets to raise sufficient funds to settle the charge.

If you do not take action to resolve any outstanding debt arising from unpaid costs, we may, at our absolute discretion, sell assets held in your Towry SIPP to realise cash to pay the costs. If we sell assets to meet any costs due, we reserve the right, at our absolute discretion, to do so without regard to the taxation and/or charging and/or investment consequences of such a transaction. Furthermore, you will be liable for any transaction charges or costs associated with the disposals.

## 13. General Terms and Conditions

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### 13.1 Client Classification

We will classify you as a Retail Client and will endeavour to provide all clients with the level of service that a Retail Client could reasonably expect. However, irrespective of our classification, any client who would ordinarily be considered to be a Professional Client or Eligible Counterparty may not necessarily have rights under the Financial Ombudsman Service or the Financial Services Compensation Scheme.

### 13.2 Verification of Client Identity

Towry Pension Trustees Limited is legally obliged to verify the identity and certain other information for all applicants and any other person/company proposing to pay contributions. Towry Pension Trustees Limited reserves the right, at its absolute discretion, not to proceed with an application when it is not reasonably satisfied with the lawfulness of the transaction. It accepts no responsibility or liability for the consequences, whether direct or indirect, of any delay or failure to invest funds when its client verification requirements have not been satisfied in full.

### 13.3 Data Protection

Towry Pension Trustees Limited is committed to complying with the requirements of the Data Protection Act. This means that in the provision of our services, appropriate personal information is processed and kept securely. It also means that we will never sell your details to a third party.

We may share your details with other organisations including those within the Towry group of companies for the purpose of assisting in providing our services to you, or to meet legal/regulatory requirements. This may include, for companies within the Towry group, making contact with you by mail or telephone to let you know about products and services which may be of interest to you. If you do not wish to be contacted regarding additional products and services, you can tell us by either registering your preference at [www.towry.com](http://www.towry.com) or by writing to the Marketing Manager, Towry House, Western Road, Bracknell, RG12 1TL marking the envelope 'data protection'.

You have the right to ask for a copy of certain information held by us in our records in return for payment of a small fee. You also have the right to require us to correct any inaccuracies in your information.

### 13.4 Undertaking

You agree that there is not, and you will not create, any interest, stake, lien, mortgage, involvement, relationship or other arrangement in respect of any investments we hold for you except for interests created under this agreement.

### 13.5 Discontinuance or Amendment of the Scheme

Towry Pension Trustees Limited, as Trustee to the Scheme, has the right to discontinue or amend the Scheme at any time. In the event of discontinuance, benefits provided by contributions already paid will be dealt with in accordance with the Scheme Rules. You will be notified of the effect on you of any discontinuance or amendment.

### 13.6 Revision

These Terms and Conditions may be revised by us at any time but we will give you 30 calendar days notice in advance of making material changes and before acting upon the revised terms. However, if the Financial Services Authority or HMRC rules are changed so that we have to conduct our business in a way that does not comply with these Terms and Conditions, we will amend the terms and advise you as soon as possible thereafter.

### **13.7 Cancellation/Termination**

You will have the right to cancel your Towry SIPP at the point it commences. Further details of your rights are detailed in the Towry SIPP Key Facts document which will have been provided to you with these Terms and Conditions. That document also sets out your right to change your mind in relation to transfers-in of benefits and taking income withdrawals for the first time which are separate to the right to cancel your Towry SIPP at outset.

You can terminate your Towry SIPP at any time by requesting a transfer to another appropriate pension arrangement, or by purchasing an annuity. Termination is also effective in the event of your death. Your Towry SIPP remains in force until such time as all appropriate payments and benefits have been completed and charges for your Towry SIPP will continue to fall due during this time. We may terminate your Towry SIPP by giving you at least three months prior written notice and require you to transfer your investments and cash to another suitable scheme. If you do not make arrangements within this time, we may deem that you have instructed us to sell all of your investments and transfer the cash value to another appropriate scheme that we, in our discretion, may choose and you authorise us to execute documentation on your behalf to complete such arrangements.

### **13.8 Conflicts of interest**

Occasions can arise where we, or one of our other clients, will have some form of interest in which we are transacting for you. Although this is unlikely, if we become aware that our interests or those of one of our other clients conflict with your interests, we will ensure that you receive fair treatment in accordance with the rules and guidance of the Financial Services Authority.

### **13.9 Financial Services Compensation Scheme**

Towry Pension Trustees Limited is covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered up to a maximum limit of £50,000. Further information about compensation arrangements is available from the Financial Services Compensation Scheme.

### **13.10 Complaints**

If you should have any complaint about the service you receive, please write to the Complaints Manager, Towry Pension Trustees Limited, Towry House, Western Road, Bracknell, Berkshire, RG12 1TL.

Tel: 01344 828000 Fax: 01344 828157

E-mail: [clientcomplaints@towry.com](mailto:clientcomplaints@towry.com)

If you remain dissatisfied following investigation of your complaint you may complain directly to the Financial Ombudsman Service, which can be contacted on: 0845 080 1800. Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

### **13.11 Legal Jurisdiction**

These Terms and Conditions and the service provided will be governed by and construed in accordance with the laws of England and any dispute will be subject to the exclusive jurisdiction of the courts of England.

## 14. General Information

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Your attention is drawn to the existence and purpose of three central bodies dealing with occupational and personal pension schemes as described below:

### 14.1 The Pensions Tracing Service

Details of this Scheme, including a contact address for the Trustee, have been given to the Pensions Tracing Agency, which provides a tracing service for ex-members of schemes with pension entitlements, and members' dependents, who have lost touch with earlier employers. Enquiries should be addressed to:

The Pensions Tracing Service, Tyneview Park, Whitley Road, Newcastle upon Tyne, NE98 1BA

### 14.2 The Pensions Advisory Service Ltd (TPAS)

TPAS is available to assist members and beneficiaries of pension schemes with difficulties which they may have failed to resolve with the Trustee or Administrator, and can be contacted at:

The Pensions Advisory Service Limited, 11 Belgrave Road, London, SW1V 1RB

### 14.3 The Pensions Ombudsman

The Ombudsman has the power to investigate and decide upon complaints and disputes involving occupational and personal pension schemes. Any complaints or disputes regarding the administration of the Scheme, which have not been resolved with the Trustee or Administrator, should, therefore, be sent to:

The Pensions Ombudsman, 11 Belgrave Road, London, SW1V 1RB

# Towry - Order Execution Policy

## Introduction

This document sets out the Towry approach when it makes arrangements to buy or sell financial instruments (e.g. shares) for retail clients ('Order'). Our aim, in line with regulatory requirements, is to achieve the best result for our clients, i.e. "Best Execution", as described in the Markets in Financial Instruments Directive (MiFID) by taking account of certain factors which are outlined in this document.

The Towry firms to which this Policy applies are Towry Investment Management Limited ('TIML') and Towry Pension Trustees Limited ('TPTL'), which are authorised and regulated by the FSA and referred to collectively as 'Towry' in this document where appropriate.

Our policy will be reviewed at least annually and we will inform clients of changes to the policy by publishing our current policy on our website at [www.towry.com](http://www.towry.com).

The measures outlined in an Order Execution Policy seek to manage certain aspects of buying and selling of certain price sensitive assets i.e. assets whose price may vary throughout the day, each day, to ensure that the best interests of clients are achieved when balancing price with any other aspects of the Order (as outlined below in the Order Execution Policy).

For assets such as collective investments, which normally operate a single price, which is usually set no more frequently than daily, and are bought and sold from one source, the various aspects of the Order Execution Policy are of less significance.

## How does this Policy apply to Towry services?

### Towry Investment Management Limited

- The Towry Independent Investment Management service (IIM), provided by TIML, provides a risk-managed, discretionary portfolio management service which invests primarily in collective investments and the Terms and Conditions for that service set out how the service operates. The content of this Order Execution Policy is not significant to this activity.
- TIML's Custody and Dealing Service is an execution-only service (i.e. Towry does not give any advice) and can be used to buy and sell a wide range of investments including those that are price sensitive, such as equities. The Terms and Conditions for the Custody and Dealing Service set out the basis for dealing under the service. This Order Execution Policy sets out the factors taken into account when dealing is carried out under the service.

### Towry Pension Trustees Limited

- TPTL is the Trustee and Administrator of the Towry SIPP. When the Towry SIPP is used as the investment vehicle for the IIM, the content of this Order Execution Policy is not significant to this activity.
- When the Towry SIPP is used to hold Financial Instruments not held via IIM (e.g. shares), TPTL will normally pass the order to another FSA Authorised firm, selected by you and duly appointed by the Towry SIPP Trustee, for execution. When the Towry Custody and Dealing Service holds the assets within your Towry SIPP, Towry Investment Management Limited will receive your orders directly from you for execution. This Policy outlines the factors taken into account when such orders are executed.

## Order Execution Policy

This is an outline of the Towry Order Execution Policy. When Towry is not executing orders itself, it will transmit client orders through firms that provide Best Execution in accordance with the factors listed below. Towry will seek to obtain the best results for its clients through its Order Execution Policy which will take into account a range of execution factors.

The factors include:

- Price the client will pay,
- Cost payable by the client,
- Size and nature of the client order,
- Speed of execution and settlement of the client order,
- The likelihood the client order will be executed and settled, and
- Any other consideration that may be applicable to the execution of the client order.

Normally, the factor of price will carry the greatest relative weight when obtaining the best result for clients. However, there may be circumstances in which other factors could be given greater relative importance, for example if speed or certainty of execution were more critical considerations.

When determining the relative importance of the range of execution factors and how they may apply to a client order Towry must take into account the following criteria:

- the characteristics of the client,
- the characteristics of the client order including its size,
- the characteristics of financial instruments that are the subject of the client order, and
- the characteristics of the execution venue(s) to which that order can be directed.

## Order Execution Policy limitations

If you provide any additional instructions with your order, regarding its execution, this may result in the Order Execution Policy as outlined here, not being followed. In such instances, you would effectively be taking responsibility for Best Execution.

Towry does not provide advice in relation to buying and selling of individual non-collective financial instruments (e.g. shares). This means that where holdings are being sold as a result of general advice you have received from us, the holding will be sold obtaining the best result at that time subject to any instructions you may give. Towry will not be advising you regarding the merits of purchase or disposal of the particular holding, the timing of the purchase or sale and whether such consideration could achieve a better result for you.

## Execution venues

Execution venue is the term used to describe the place/firm where Financial Instruments are actually traded as the result of an executed order e.g a Stock Exchange.

Collective investments are purchased/sold direct from/to the fund provider.

When dealing in most other assets, in order to deal on the best terms, including price, we may trade at any of a number of reputable venues. Under European legislation (MiFID), there are a group of entities which are recognised as meeting European standards and are referred to as 'Regulated Markets'. However, other entities and markets which are not recognised under this legislation may still be regulated under a local authority and this would include any exchange located in countries outside of Europe including the USA and Canada.

As part of the EU, the UK falls under its legislation and under MiFID there is a requirement for you to give your express consent before we arrange any trade for you outside of the MiFID recognised 'Regulated Markets'. You will be asked for your consent either when you sign your agreement form or we may ask you to confirm your consent before you request that we place a trade for you.

Execution venues ultimately used to execute orders will be worldwide.

**Towry Pension Trustees Limited**

Towry House Western Road Bracknell Berkshire RG12 1TL

Telephone: 01344 828125

Email: [Pensions.Operations@towry.com](mailto:Pensions.Operations@towry.com)