

Please read and keep for future reference.

*Terms and Conditions for the*  
**Self Invested  
Personal Pension  
for Wrap**





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## 1. Your terms

The words in **bold type** in this document are defined terms. You will find a glossary of the defined terms in Annex 1 of this document on pages 42 to 48. They are part of these **terms** so please take care to read them carefully. Words which **we** define in the singular form will also include the plural and words which **we** define in the plural will also include the singular.

This document sets out the Terms and Conditions for your **wrap SIPP** which governs our relationship with **you** (these “**terms**”). **You** should read these **terms** with the **client terms and conditions for wrap services** and your **product confirmation schedule**. These **terms** together with the **client terms and conditions for wrap services** and the **product confirmation schedule** form the full terms and conditions of your **wrap SIPP**.

Before applying for a **wrap SIPP** you should also consider carefully the following documents:

- **key features document for wrap SIPP**; and
- the **charging schedule**.

In case of conflict between these **terms** and the **client terms and conditions for wrap services**, the provisions relevant to your **wrap SIPP** contained in these **terms** will take precedence over the **client terms and conditions for wrap services**.

The **scheme** is designed to provide a flexible and tax efficient way for **you** to save for your retirement.

The **plan** is accessed through the **wrap platform**. Only a **financial adviser** or a **discretionary investment manager** who has agreed to the **adviser terms and conditions** can transact via the **wrap platform**. This means that to manage your investments in the **plan** you must have appointed a **financial adviser** and must have an on-going relationship with such a **financial adviser**. **You** can also appoint a **discretionary investment manager** if **you** wish to do so.

The **scheme** – and the documentation that goes with it – is complicated. **We** have tried to set out these **terms** and all other related documents as clearly as possible. But if there is anything **you** are unsure of, please contact your **financial adviser** or the **platform customer centre**. Please note that our **platform customer centre** cannot provide **you** with advice.

The contact details for the **platform customer centre** are:

Call: 0845 279 1001 (call charges may vary)

Write: Platform Customer Centre, Dundas House, 20 Brandon Street, Edinburgh EH3 5PP

Email: wrap\_servicing@standardlife.com

There is no guarantee that any email sent will be received or will not have been tampered with or intercepted during transmission. **You** may prefer to contact **us** in writing.

## 2. Structure of your plan

- 2.1 If **we** accept your application for a **wrap SIPP**, **you**’ll become a member of the **scheme**. The **scheme** was set up under a trust dated 5 July 2004 and made by The Standard Life Assurance Company with Standard Life Trustee Company Limited as the first **trustee** and The Standard Life Assurance Company as the first **scheme administrator**. The current **scheme administrator** is Standard Life Assurance Limited, a company authorised and regulated by the FSA which is part of the **Standard Life group**.

### Accounts

- 2.2 **You**’ll have one or more **accounts** under the **scheme**. **We**’ll create a **flexible account** to receive any regular, irregular or single payments **you** choose to make. But if a different type or level of commission or **financial adviser** remuneration is to apply to a single payment, **we**’ll create a separate **account** for that single payment.

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We’ll also create a new **account** each time we receive a **transfer payment**. In some cases we’ll create more than one **account** to receive a particular **transfer payment** if, for example, section 2.4 applies to part of a **transfer payment** or the payment includes **ordinary benefits** and **protected rights**.

We’ll issue a confirmation to **you** each time that we create a new **account** for **you**.

- 2.3 Each time **you** ask **us** to start paying **benefits** from a new part of your **plan**, we’ll apply a **pension date** to it. We can apply a **pension date** to a whole **account** or to part of one, in accordance with your instructions. The part we apply a **pension date** to becomes a **post pension date account**. Any **account** or part of an **account** to which a **pension date** hasn’t been applied remains a **pre pension date account**.
- 2.4 If we receive a **transfer payment** that represents an **unsecured pension fund**, we’ll create a **post pension date account(s)** to receive that **transfer payment**.
- 2.5 All of your **pre pension date accounts** together represent the pre pension date part of your **plan**.

All of your **post pension date accounts** together represent the post pension date part of your **plan**.

### Investment mix

- 2.6 **You** can apply different investment instructions to the pre pension date and post pension date parts of your **plan**. We’ll treat each **pre pension date account** as being invested proportionately in all of the pre pension date investments. And we’ll treat each **post pension date account** as being invested proportionately in all of the post pension date investments. (The proportion will be the size of the account in relation to the size of all of your accounts of that type).
- 2.7 When we create a new **pre pension date account** for **you**, **you** can tell **us** how **you’d** like the payment(s) to that **account** to be invested. Once we’ve carried out your instructions, those new investments will be part of the **pre pension date investment mix** and we’ll treat the new **pre pension date account** as being invested proportionately in all of the investments held in the **pre pension date investment mix**.

For an illustration of how this works please refer to Annex 2 of these **terms**.

- 2.8 Likewise, when we create a **post pension date account** for **you**, as explained in section 2.3, **you** can tell **us** how **you’d** like this new **account** to be invested. Once we’ve carried out your instructions, those investments will be part of the **post pension date investment mix** (which is calculated using the same method as for the calculation of the **pre pension date investment mix** described in section 2.7).

We’ll treat each of the **post pension date accounts** as being invested proportionately in all of the investments held in the **post pension date investment mix**.

### Arrangements

- 2.9 All of your **pre pension date accounts** and **post pension date accounts** (except for those described in section 2.10) belong to the same **arrangement**.
- 2.10 If we receive a **transfer payment** that represents an **unsecured pension fund**, we’ll create a separate **post pension date account** for each part of the **transfer payment** to which a different **five-yearly review date** applies. We’ll also create separate **post pension date accounts** for **ordinary benefits** and **protected rights** where the **transfer payment** contains both. Each **post pension date account** will normally be a separate **arrangement**, but if **ordinary benefits** and **protected rights** belonged to the same **arrangement** under the **transferring scheme**, their **post pension date accounts** will belong to the same **arrangement** under the **scheme**.

### 3. Eligibility

- 3.1 You're eligible to join the **scheme** if:
- you're over 18 and under 75;
  - you have a **financial adviser**; and
  - you're habitually resident in the **UK**.
- 3.2 If you want to open a **wrap SIPP**, your **financial adviser** must send us an application via the **wrap platform** on your behalf.
- 3.3 Your **wrap SIPP** will only be opened once:
- you have accepted these **terms** (which is done when your **financial adviser** sends us an application via the **wrap platform** on your behalf); and
  - we have accepted your application.
- 3.4 If we accept your application we will send you and your **financial adviser** a **product confirmation schedule** confirming the details on your application and requiring you to confirm your agreement to these **terms**.
- 3.5 Subject to the **FSA rules**, we have full discretion to accept or not to accept an application and we reserve the right to reject your application and not to give you any reason for doing so.
- 3.6 Once we have accepted your application, we will:
- open a **wrap SIPP** in your name and administer it in accordance with these **terms**; and
  - issue you with a **wrap account** number.
- Please ensure that you and your **financial adviser** include this number in all communications with us.
- 3.7 We will not advise you about the suitability of any investment that you may decide to hold in your **wrap SIPP**, nor will we be responsible for any advice given to you by your **financial adviser**.
- 3.8 If your **financial adviser** no longer acts for you (for any reason), or, you have appointed a new **financial adviser** who does not have access to the **wrap platform**, you will need to contact us by telephone or write to us to transact on your **wrap account**. The full details of our procedure for you to follow to operate your **wrap account**, during any period when you do not have a **financial adviser**, are set out in the **client terms and conditions for wrap services**.

### 4. Payments

- 4.1 We can accept the following payments to the **scheme** up until the day before your 75<sup>th</sup> birthday:
- a **transfer payment**;
  - a payment from your employer; or
  - a payment from you.
- Since 1 October 2008, we have accepted contracted-out benefits (protected rights, guaranteed minimum pension or section 9(2B) rights), which, when they are paid into the **scheme**, become **protected rights** under these **terms**. But we won't accept safeguarded rights. Safeguarded rights relate to benefits you may receive from your ex-spouse's or ex-civil partner's pension.
- 4.2 We will not accept:
- any payments on your behalf from a person who is not your employer;
  - any payments to buy an **annuity** immediately; or
  - contributions in the form of shares from a savings-related share option scheme, an approved profit-sharing scheme or a share incentive plan.
- We may not be able to accept a **transfer payment** into the **scheme** if it is subject to an **earmarking order**. If you are considering a **transfer payment** that involves an **earmarking order** please discuss this with your **financial adviser**.

### Maximum and minimum payments

- 4.3 The **revenue** don't set any limits on the payments that can be made to the **scheme** in a tax year; however, the **revenue** do limit the level of your payments on which **you** can claim tax relief (as explained in section 4.18). **We** set a maximum equal to these **revenue** limits on the size of payment that **we** will accept from **you** because **we** won't accept any payments on which **we** cannot claim basic-rate tax relief (as explained in section 4.18). There is no limit on the size of employer payment (though see section 4.21 in respect of the consequences of exceeding your **annual allowance**) or **transfer payment** that **we**'ll accept into the **plan**.
- 4.4 **We** set a minimum **transfer payment**, a minimum single payment, a minimum regular monthly payment and a minimum regular yearly payment that **we**'ll accept. These minimums are:
- Single payment to set up a **plan**: £10,000
  - Monthly regular payment to set up a **plan**: £300 a month
  - Yearly regular payment to set up a **plan**: £3,000
  - Single **transfer payment** to set up a **plan**: £10,000

Where more than one **transfer payment** is being made at the same time, the minimum applies to the total of all those **transfer payments**. Lower minimums apply to larger **plans**. **You** can find out the current minimums that apply to larger **plans** by contacting your **financial adviser**.

**We** don't currently set a minimum for any 'irregular' payment if **you** already have a **flexible account** under your **plan** and there is no minimum amount for any additional single or **transfer payment** into a **plan**.

**We** may change these minimums from time to time, if it is necessary for **us** to do so to maintain our profitability. **We** will notify **you** of any change 3 months before they become effective. **You** can find out the current minimums that apply by contacting your **financial adviser**.

### How and when payments can be made

- 4.5 **Transfer payments** to the **scheme** can be made by direct credit, telegraphic transfer or cheque on any **business day**.
- 4.6 Single or irregular payments from **you** or your employer on your behalf can be made by telegraphic transfer or cheque. **You** can also make payments via the **wrap cash account**. If the payer already has a variable direct debit in place for the **plan**, the irregular payment can be made by that direct debit. Single or irregular payments can be paid on any **business day**.
- 4.7 **You** can make regular payments by variable direct debit or via the **wrap cash account**. Your employer can make regular payments by variable direct debit. Regular payments can be paid monthly or yearly. **You** or your employer can, at any time, reduce or stop making regular payments. But **we** can refuse to accept any regular payment that's below a minimum set by **us**, as explained in section 4.4.
- 4.8 If any cheque or direct debit is rejected after **we**'ve used it to buy investments and **you** have not forwarded **cleared funds** within 10 **business days** of **us** notifying your **financial adviser** that your cheque or direct debit has been rejected, **we**'ll sell those investments or exercise any right to cancel their purchase. **You**'ll be charged for any reasonably incurred costs that apply for buying and selling (or cancelling the purchase of) any of those investments. If the value **we** receive for selling or cancelling the purchase of an investment is less than the price **we**'ve paid for it, **we**'ll deduct the difference from your holding in the **SIPP cash account**. If there is not enough money in your holding in the **SIPP cash account**, **we** will collect it in the way described in sections 5.16 to 5.18. If the value **we** receive is greater than the price **we**'ve paid, **we**'ll return the difference to your holding in the **SIPP cash account**.
- 4.9 **We** can refuse to accept any further payments to your **plan**, provided **we** have reasonable reasons to do so and **we** notify **you** of our reasons. Should **we** decide to do so **you** will be able to transfer your **plan**, free of our transaction charge (as described at sections 10.12) during the 3 month period starting on the date of the notification. Please note that **we**

will still pass on to **you** any transfer fee or exit fee imposed on **us** by **managers** other than Standard Life Investments Limited. If the **mutual funds** are managed by a company in the **Standard Life group** then **we** will not make a charge for re-registering the **mutual fund** in the name of the trustees of the scheme that **you** are transferring to.

#### Indexation

- 4.10 Where regular payments are being paid, **you** can ask for them to increase automatically each year by a fixed percentage (1 to 10%) or in line with the **average earnings index**. The same basis must apply to all regular payments made by **you** or your employer on your behalf. **We** will agree to your request unless **we** have a valid reason not to, in which case **we** will inform **you** of our reasons. If **we** agree, the regular payment will increase each year on the indexation date which is the day chosen by **you** or, if **you** haven't chosen a day, the anniversary of the day on which the first regular payment was made.
- 4.11 Each year, before the indexation date, **we'll** tell **you** what the new level of regular payment will be from the indexation date. Unless **you** tell **us** to collect a different amount, **we'll** then collect that new level of regular payment until the following indexation date.
- 4.12 If **you** choose to have indexation in line with the **average earnings index**, **we'll** work out the increase by using the figure in the index for the month that is 4 months before the increase is due. Note that **we'll** not change your regular payment if the index goes down. If the government changes the index, **we'll** use another basis which will give similar increases.
- 4.13 **You** can ask for the regular payment to stop increasing automatically, by contacting your **financial adviser**.

#### How tax relief on payments works

- 4.14 There is no tax relief on **transfer payments** into the **scheme**.
- 4.15 If your employer makes a payment to your **plan**, they can normally treat the payment as a business expense or use it to reduce assessable profits. **You** will not be taxed on the benefit to **you** of your employer's payments as long as **you** do not exceed your **annual allowance** (see section 4.21).
- 4.16 If **you** want to make a payment to your **plan**, basic-rate tax relief on that payment is provided 'at source'. This means that **you** should deduct an amount equal to basic-rate tax from that payment to calculate the 'net' payment that **you** need to give **us**. **We** will 'gross-up' the amount that **we** receive (which means that **we** will treat it as if it had been paid without the tax deduction) and claim the basic-rate tax from the **revenue**. So if the basic rate of income tax for the tax year is 20% and **you** want the grossed-up payment to be £5,000, the amount **you** need to pay to **us** is:  
 $(100\% - 20\% = 80\%)$  of £5,000 which is £4,000.
- 4.17 If **you** pay tax at the higher rate, **you** can use your tax return to claim any additional tax relief on your payment.

#### Revenue limits

**You** will be able to benefit from tax relief on your annual contribution to your pension subject to the conditions as explained in sections 4.18 to 4.20 below.

#### (a) Tax relief on your contribution

- 4.18 In any **tax year** in which **you're** a **relevant UK individual**, the **revenue** will give tax relief on your payments to your pension schemes up to the higher of:
- the **basic amount** regardless of your earnings; and
  - 100% of your **relevant UK earnings** for that **tax year**.

These **revenue** limits for tax relief apply to the total grossed-up (i.e. including the basic-rate tax relief received from the **revenue**, as explained in section 4.16) payments made by **you** or a third party to all your pension plans. As explained in section 4.3, **we** will not accept payments from **you** on which **we** cannot claim basic-rate tax relief and, as explained in section 4.2, **we** won't accept any third party payments to your **plan**.

Payments made by your employer don't count towards the **revenue** limits for tax relief (but do count towards your **annual allowance** as explained in section 4.21).

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- 4.19 If **you** stop being a **UK** resident and don't have any **relevant UK earnings** but **you** were a **UK** resident when **you** joined the **scheme**, **you** can continue paying up to the **basic amount** for the next five **tax years** following the **tax year** in which **you** leave the **UK**.
- 4.20 Where **we** find that **you** have made a payment to your **plan** that's higher than the **revenue** limits described in section 4.18 and 4.19, **we'll** use your holding in the **SIPP cash account** to pay a refund to **you** and to the **revenue** to bring your payment within the **revenue** limits. **You'll** also be charged for our reasonable costs in paying the refunds. If **you** do not have enough funds in the **SIPP cash account** to repay the **revenue**, yourself and our costs **we** will sell investments on the basis described in section 5.17 and 5.18.

### (b) Annual allowance

- 4.21 The **revenue** set an **annual allowance** on the total amount that **you**, your employer and any third party can pay to all your pension plans without a tax penalty. The **revenue** have announced that the **annual allowance** for the following **tax years** is:

- a) £235,000 for 2008/09
- b) £245,000 for 2009/10
- c) £255,000 for 2010/11.

The tax penalty is that **you'll** pay income tax at 40% on payments to your pension plans that exceed the **annual allowance**. If **you** think that **you** may exceed your **annual allowance**, please speak to your **financial adviser**.

The **annual allowance** doesn't apply to **transfer payments**.

### (c) Lifetime allowance

- 4.22 The **revenue** set a **lifetime allowance** on the total retirement benefits that **you** can receive from all your pension plans without a tax penalty. The **revenue** have announced that the **lifetime allowance** for the following **tax years** is:

- a) £1.65 million for 2008/09
- b) £1.75 million for 2009/10
- c) £1.8 million for 2010

If **you** receive **benefits** from any pension scheme at a lower level than your **lifetime allowance**, **you** can carry forward the unused part of your **lifetime allowance** against future **benefits**. If **you** have the right to take **benefits** from your **plan(s)** before the 'normal minimum pension age' (which is explained in section 11.3) – as is the case, for example, for certain sports people – then your **lifetime allowance** may be affected if **you** do so. If **you** are considering taking **benefits** from your **plan** before the normal minimum pension age **you** should discuss this with your **financial adviser**.

If your **benefits** exceed your **lifetime allowance**, there's a **lifetime allowance charge** of 55% on the excess if it's paid as a lump sum or 25% if **you** take it as a pension.

- 4.23 If the total value of all your pension plans and benefits by 5 April 2006 was greater than £1.5 million then **you're** eligible for 'primary protection'. This means that **you** can register a higher personal **lifetime allowance** with the **revenue** by 5 April 2009.

Even if **you're** not eligible for primary protection, **you** can still register for 'enhanced protection'. The disadvantage of enhanced protection is that no contributions can be paid to your pension plans on or after 6 April 2006, but the advantage of enhanced protection is that the **lifetime allowance charge** will not apply. However, enhanced protection may be lost in some circumstances so it is important to make sure those circumstances are fully explained to **you** by your **financial adviser**.

**You** should discuss with your **financial adviser** whether **you** should register for protection.

- 4.24 Up until your 75<sup>th</sup> birthday your **benefits** must be tested against the **lifetime allowance**:
- a) each time **you** apply a **pension date** to part of your **plan** (which is when **we** start, at your request, paying **you** a **benefit** from a new part of your **plan**, as explained in section 2.3);
  - b) each time **you** buy an **annuity** (but if **you** buy an **annuity** after taking income drawdown, it's only the difference between the **annuity** purchase price and the relevant proportion of the **unsecured pension fund** at its **pension date** that'll be tested);

- c) if **you** die leaving **pre pension date accounts** under your **plan** which **we** use to pay a lump sum death benefit;
- d) if **you** make a **transfer payment** to a **qualifying recognised overseas pension scheme**.

On your 75<sup>th</sup> birthday the value of any remaining **pre pension date accounts** must be tested against your **lifetime allowance**. Any part of your **post pension date accounts** that represents an **unsecured pension fund** must also be tested on your 75<sup>th</sup> birthday. The test will only apply to the difference between the value of the **unsecured pension fund** on that date and its value at its **pension date** (or the relevant proportion of its value at its **pension date** if **you've** already used part of it to buy an **annuity**).

## 5. Investments

- 5.1 The **trustee** will own all of the investments held for **you** under the **scheme** and will have any voting rights that apply to the investments. But it's the **scheme administrator** that will decide if an investment is acceptable.

### Permitted investments

- 5.2 A wide range of investments can be held under a Self Invested Personal Pension Scheme but certain investments are subject to additional tax charges imposed by the **revenue** to discourage their use. **You** can ask your **authorised person** for details of the investments currently subject to tax charges by the **revenue**.
- 5.3 **You** can tell **us** what investments **you** want to buy but **we'll** only agree to buy an investment if, in our reasonable opinion, it is not subject to additional tax charges imposed by the **revenue**.
- 5.4 Even if a type of investment is not subject to additional tax charges, **we** can choose not to allow it under the **scheme**. **We** may do so if in our reasonable opinion:
  - a) there is a significant risk that the **scheme administrator** or the **trustee** could find itself with a liability that it might not be able to meet from your **plan**; or
  - b) making (or supporting) the investment could reduce the level of service that the **scheme administrator** or the **trustee** can provide to other members of the **scheme**; or
  - c) it might result in damage to the reputation of the **scheme administrator** or the **trustee**; or
  - d) it is a type of investment that too few **members** would select for it to be cost-effective for the **scheme administrator** to develop the processes or recruit the staff to make or support such investments in the **scheme**.
- 5.5 Futures and options are types of investment which are not subject to tax by the **revenue**, but **we'll** only allow them under the **scheme** if:
  - a) **you've** appointed a **discretionary investment manager** from our panel (see section 5.10) to manage a portfolio of assets held for **you** under the **scheme**;
  - b) the futures and options will be part of that portfolio; and
  - c) the **discretionary investment manager** has agreed to limit the liability of the **trustee** and the **scheme administrator** to the value of your **plan**, which cannot be less than £0.
- 5.6 If **you** want to make an **in-specie transfer payment** to the **scheme**, **you** must give **us** a list of all of the assets that **you** want to transfer to the **scheme**. **We'll** tell **you** if there are any assets on that list which **we're** not willing to accept, as well as our reasons for doing so. The **trustee** can refuse to accept ownership of any asset which **we** didn't agree to accept or which wasn't included on the list. If **we** cannot accept an asset and **you** still want to continue with the transfer **you** will need to sell that asset and transfer the proceeds to the **scheme**. For further information on how to make an **in-specie transfer payment** contact your **financial adviser**.

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### Execution-only stockbroker

- 5.7 If **you** want to do execution-only trades, **you** must use our appointed execution only stockbroker. **You** can buy or sell the following types of **UK** investments through our appointed stockbroker as long as they are held in the **CREST settlement system**:
- a) equities, including new issues;
  - b) fixed interest securities;
  - c) warrants;
  - d) permanent interest bearing shares;
  - e) convertible securities;
  - f) investment trusts; and
  - g) depositary interests.
- 5.8 Your **financial adviser** will place the trades that need to be executed by our appointed execution only stockbroker on the **wrap platform**. When **we** receive the contract notes **we** will pass this information on to your **financial adviser** via the **wrap platform**.
- 5.9 **We'll** deduct a transaction charge from your holding in the **SIPP cash account** each time your **financial adviser** places a trade that needs to be executed by our appointed execution only stockbroker on the **wrap platform**. Please see sections 10.10 to 10.12 for more details on the transaction charge. Your **financial adviser** must make sure that **you** have enough money in your holding in the **SIPP cash account** to pay for the transaction and any related costs.

### Discretionary investment manager

- 5.10 **We've** appointed a panel of **discretionary investment managers**. The list of these **discretionary investment managers** is available from the **wrap platform**. **You** can appoint a **discretionary investment manager** from this panel to manage all or some of your investments under the **scheme** on a 'discretionary basis'. This means that the **discretionary investment manager** will make investment decisions for **you**, based on the investment strategy that **you've** agreed with them. **We'll** make a yearly charge as set out in section 10.14 for each **discretionary investment manager** that **you** use. **You** cannot appoint a **discretionary investment manager** that is not on our panel.
- 5.11 The discretionary portfolio can't include any direct investment in property or land, or any borrowing associated with the direct purchase of property or land.
- 5.12 It is your responsibility to organise your dealings with your **discretionary investment manager**. **We** won't pass on your instructions to them. They'll send the contract notes to **you**, and deal directly with **you** regarding your investments.
- 5.13 **We'll** forward money to, and receive money from, your **discretionary investment managers** in accordance with your instructions. As explained in section 10.12 **we** will make a transaction charge each time **we** forward to or receive money from your **discretionary investment manager**. **We** won't forward any money to your **discretionary investment manager** unless it's available from your holding in the **SIPP cash account**.

### Process to ensure that your holding in the SIPP cash account is sufficient at all times

- 5.14 You will need to have sufficient funds in the **SIPP cash account** to ensure that **we** can:
- a) use these funds to pay your **benefits** under the **plan** (when **you** have instructed **us** to do so);
  - b) use these funds to pay for any investments **you** want to buy (when **you** have instructed **us** to do so);
  - c) to pay for the charges detailed in section 10; and
  - d) to comply with any **pension sharing order** as explained in section 16.8.
- Your **dependant** will also need to ensure there are sufficient funds in their holding in the **SIPP cash account** to pay them any relevant **benefits**.
- 5.15 Before your holding in the **SIPP cash account** becomes insufficient to allow **us** to meet the requirements set out in section 5.14, your **financial adviser** must use the **wrap platform** to sell investments on your behalf to generate the required amount.

- 5.16 If your **financial adviser** fails to do generate the required amount within 1 month of our contacting your **financial adviser** to advise that the **SIPP cash account** is overdrawn:
- we'll cancel units proportionately from all the **Standard Life investment policy funds** held in your **pre pension date investment mix** if the required amount is payable from the **pre pension date accounts** or, your **post pension date investment mix** if the required amount is payable from your **post pension date accounts**;
  - if this produces an insufficient amount, we'll sell investments on the basis described in section 5.17; and
  - we'll deduct our transaction charge as explained in section 10.12.
- 5.17 Where we have to sell investments to meet the requirements set out in 5.14, we'll:
- sell **mutual funds** held for you under the **scheme** on the 'last bought first sold' basis;
  - if this produces an insufficient amount, sell other investments held for you under the **scheme** on the 'last bought first sold' basis, excluding commercial property or traded endowment policies (since they're not liquid assets);
  - if commercial property and traded endowment policies are the only investments held for you, we'll sell the traded endowment policies on the 'last bought first sold' basis; and
  - if commercial property is the only investment held for you and the rental income from the property is insufficient to provide the **benefit** or the charge, we'll sell the property.
- If commercial property is the only investment held for you and we need to collect a charge, we will offer you the option to make a payment into your **plan** to cover the charge instead of selling the property. If this applies, there will also be a billing charge to cover our reasonable costs.
- 5.18 Where there is insufficient cash in your holding in the **SIPP cash account** to pay a charge, or an income payment, we reserve the right to sell assets of greater value so that we do not have to repeat these sales too frequently. You can get details of how we calculate this greater value from your **financial adviser**.

### Timely execution

- 5.19 Section 6 describes the **SIPP cash account**, section 7 describes the Standard Life Investment Policy and section 8 describes the **mutual funds** available from the **wrap platform**. We'll transact all other investments as soon as is reasonably practical after we receive complete and unambiguous instructions. You can obtain details of what is "reasonably practical" for a particular investment from your **authorised person**. By transact we mean that we'll have completed our part in the buying or selling process for that investment, such as filling in an application form or sending money to an appointed **discretionary investment manager**.

## 6. SIPP cash account

- 6.1 We'll pay all cash **transfer payments** and all payments to the **scheme** by you or your employer on your behalf, into your holding in the **SIPP cash account**, with one exception. If any part of a payment is to be invested in **Standard Life investment policy funds**, we'll invest that part of the payment directly in your chosen **Standard Life investment policy funds**.
- 6.2 The money in the **SIPP cash account** will be held in accordance with the **FSA's** client money rules. We'll keep a record of your holding in the **SIPP cash account** each day. The account provider, Standard Life Bank, will calculate interest on a daily basis and add it each month. The interest that the account provider applies is 1% below the Bank of England base rate. We'll keep a record of how much interest has been earned on your holding in the account. Please contact your **financial adviser** if you wish to know the current interest rate.
- 6.3 We will take money from your holding in the **SIPP cash account** if you have instructed us to do any of the following:
- provide you with **benefits**;
  - pay a **transfer payment** to another scheme or comply with a **restoration order**; or
  - collect charges or pay expenses as detailed in these **terms**.

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- 6.4 We'll add money to your holding in the **SIPP cash account** as appropriate, including when we:
- receive the proceeds of the sale of an investment;
  - receive income from your investments;
  - pay rebates on **mutual funds**;
  - pay wrap fund based administration rebate or wrap family discount as explained in sections 10.16 and 10.17.
- 6.5 Please ensure that your **authorised person** takes all required actions to ensure that your holding in the **SIPP cash account** does not become overdrawn.

## 7. Standard Life Investment Policy

- 7.1 The Standard Life Investment Policy is a master policy which The Standard Life Assurance Company issued to the **trustee**. The **insurer** of the Standard Life Investment Policy is now Standard Life Assurance Limited. The Standard Life Investment Policy allows **members** of the **scheme** to invest in a range of the **insurer's** funds including funds managed by **external fund managers** (the **Standard Life investment policy funds**). The type of fund available under **wrap SIPP** is a Series B fund. Each **Standard Life investment policy fund** is divided into **units**. The **trustee** is the policyholder of the Standard Life Investment Policy. **You** can ask your **financial adviser** for a copy of the **insurer's** leaflet on 'Understanding unit-linked funds', if **you** would like more information on the **Standard Life investment policy funds**.
- 7.2 The **insurer** can use an **external fund manager** in two ways:
- the **insurer** may buy **units** in the **external fund manager's** fund (and this could include a Standard Life **mutual fund**).
  - the **insurer** may instruct an **external fund manager** to manage funds held in the Standard Life Investment Policy.

In this way, **you** have access to the services of another fund manager without having to invest in a separate product. **You** do not invest directly in an **external fund manager's** fund.

- 7.3 When your **financial adviser** instructs **us** on your behalf to buy and sell **units** in a **Standard Life investment policy fund** which is invested in a fund managed by an **external fund manager**, these **units** will be bought, subsequently held and sold subject to the terms set out in that **external fund manager's** fund **prospectus and/or fund factsheet**.
- 7.4 **You** should be aware that where a **Standard Life investment policy fund** is invested in a fund managed by an **external fund manager**, the **prospectus and/or fund factsheet** of the **external manager's** fund may allow the **external fund manager** to make changes to this fund (for example, closing, winding up or dividing the **external fund manager's** fund) as set out in the **external fund manager's** fund **prospectus and/or fund factsheet**. For full details please refer to the **external fund manager's** fund **prospectus and/or fund factsheet** which is available from your **financial adviser**. Where a **Standard Life investment policy fund** is invested in an **external fund manager's** fund and the **external fund manager** (i) makes any changes to the **external fund manager's** fund as set out in the **external fund manager's** fund **prospectus and/or fund factsheet**; or (ii) fails to administer the **external fund manager's** fund in accordance with the **external fund manager's** fund **prospectus and/or fund factsheet**, we will not make good all or any part of any loss that arises.

### Available funds

- 7.5 **You** can ask your **financial adviser** or check the **wrap platform** for a list of the **Standard Life investment policy funds**. **You** must ask your **financial adviser** to use the **wrap platform** to make your fund selections.
- 7.6 The maximum number of **Standard Life investment policy funds** that **you** can be invested in at any one time under the Standard Life Investment Policy is 11 (or 12 if your investment in the Standard Life Investment Policy is your only investment under the **scheme**).
- 7.7 To run funds efficiently or to meet market needs, the **insurer** can divide a **Standard Life investment policy fund** into more than one fund or combine two or more funds into one fund. If a fund that you're invested in is being divided or combined, **you'll** normally get 3 months' notice.

### Closing or winding-up a fund

- 7.8 For commercial reasons including those specified below it is necessary for the **insurer** to be able to:
- close a **Standard Life investment policy fund** to new investments (so that no new **units** in the fund are sold to investors) to protect the interests of existing unitholders under the fund;
  - wind up a **Standard Life investment policy fund** (so that the fund no longer exists), where the fund is no longer commercially viable or beneficial to its unitholders; and
  - impose other investment restrictions, where this is required to protect the interests of existing unitholders under the fund.
- 7.9 If a fund that **you**'re invested in is being closed or wound up, **you**'ll normally get 3 months' notice. **You** may receive less notice (or, in exceptional circumstances, no notice) if the **external fund manager** closes or withdraws their funds, or a shorter period (or no notice) is necessary to protect the interests of the unitholders with **units** in that fund.
- 7.10 When you are told that a Standard Life investment policy fund is being closed to new money or wound-up, you will be able to notify us, via your financial adviser, of any alternative Standard Life investment policy fund(s) into which you would like to direct any existing and/or future investment. If we have not heard from your financial adviser by the end of the notice period, the insurer will direct any existing and/or future investment into the available fund that has, in the insurer's opinion, the closest investment objectives to the fund being closed or wound-up. The insurer may also allocate the extra units awarded under section 7.24 to the fund that was selected by either your financial adviser or the insurer as a replacement.
- 7.11 If a **Standard Life investment policy fund** is being wound-up, the **insurer** will switch any existing **units** invested in that fund to the fund that was selected by the method explained in section 7.10 above.

### Valuing funds and setting the unit prices

- 7.12 The Standard Life Investment Policy describes how the **Standard Life investment policy funds** are valued. The **insurer** can suspend the valuation of a fund to maintain fairness between unitholders remaining in and unitholders leaving that fund. This could occur where, for example, prices are not available from a relevant stock market or its supplier doesn't provide the prices in time.
- 7.13 Where the **insurer** values a **Standard Life investment policy fund**, which is invested in an **external fund manager**'s fund, the valuation will include a deduction for the **external fund manager**'s charges. Some **external fund managers** may also pay some fees and expenses out of the assets of their funds. These fees and expenses are reflected in the **external fund manager**'s **unit** prices and therefore in the **unit** prices set by the **insurer**.
- 7.14 Once the **insurer** has valued a **Standard Life investment policy fund**, it will set the **unit** price for the following day. The Standard Life Investment Policy describes how the maximum and minimum **unit** prices are calculated. The **insurer** can set the unit price as the maximum or the minimum or at a price between those amounts. The maximum unit price is rounded up to six decimal places and the minimum unit price is rounded up to six decimal places. For further information ask your **financial adviser** for a copy of the **insurer**'s leaflet on 'Understanding unit-linked funds'.

### Allocating and cancelling units

- 7.15 The Standard Life Investment Policy describes the **unit** prices which the **insurer** will use with regard to the allocating or cancelling of **units** in **Standard Life investment policy funds**.
- 7.16 The **insurer** allocates **units** in a **Standard Life investment policy fund** to the nearest 1/1000<sup>th</sup> of a **unit**. (It will round up a 5/10000<sup>th</sup> of a **unit**.) It will meet the cost of rounding up and keep any money left over after rounding down.
- 7.17 The **insurer** cancels **units** from each **Standard Life investment policy fund** to the nearest 1/1000<sup>th</sup> of a **unit**. (It will round down a 5/10000<sup>th</sup> of a **unit**.) It will meet the cost of rounding down and keep any money left over after rounding up. For further information ask your **financial adviser** for a copy of the **insurer**'s leaflet on 'Understanding unit-linked funds'.

### Delaying unit cancellation

7.18 The **insurer** can delay cancelling **units** if it is necessary to maintain fairness between unitholders remaining in a fund and unitholders leaving a fund. For example, this could be necessary if it takes time to sell a particular type of investment in a fund or the markets are closed for an unforeseen reason. Where this applies, the **insurer** can delay the cancellation of the **units** for up to one month or, where the **units** relate to a fund that invests directly or indirectly in buildings or land, for up to six months. If the cancellation involves a **Standard Life investment policy fund** which is invested in a fund managed by an **external fund manager** and the **external fund manager** delays the cancellation, the **insurer** can delay the cancellation until it receives the proceeds of the related **units** in the **external fund manager's** fund. If the **insurer** delays the cancellation, it will use the **unit** prices that apply on the day on which the cancellation actually takes place.

### Switching between Standard Life investment policy funds

- 7.19 Your **financial adviser** can instruct **us** on your behalf to switch your investments between **Standard Life investment policy funds**. Section 7.23 explains the how **we** charge for these switches.
- 7.20 Upon receiving instructions from your **financial adviser** to switch your investments between **Standard Life investment policy funds**, **Standard Life Savings** will instruct the exchange of **units** as soon as reasonably practical and where a **Standard Life investment policy fund** is priced every **business day**, no later than the **pricing point** on the third **business day** following its receipt of instructions via the **wrap platform**. However, as explained in section 7.18, there can be some circumstances where transactions can be delayed. For further information ask your **financial adviser** for a copy of the **insurer's** leaflet on 'Understanding unit-linked funds' or relevant **prospectus and/or fund factsheet**.

### Charges

- 7.21 The **insurer** will deduct a management charge from each **Standard Life investment policy fund**. The charge is deducted each day after the fund has been valued and before the **unit** price is set. It is a percentage of the fund divided by 365 (366 in a leap year).  
**You** can find out the annual rate of the management charge that applies to each **Standard Life investment policy fund** from your **financial adviser**.  
**You** can find an illustration of how the management charge is calculated on a daily basis in Annex 2 of these **terms**.  
The **insurer** will also deduct operating expenses and taxes from the fund. For further information ask your **financial adviser** for a copy of the **insurer's** leaflet on 'Understanding unit-linked funds'.
- 7.22 The **insurer** has the right to increase the management charge which applies to each **Standard Life investment policy fund**. Increases will reflect increases in the **insurer's** overall costs (or changes in the assumptions that it makes) in providing the full range of Series B funds available under the Standard Life Investment Policy or, if the increase relates to funds of a particular type or an individual fund, an increase in the **insurer's** costs (or a change in assumptions) for that type of fund or individual fund. It may also increase the charges on a **Standard Life investment policy fund** which is either managed directly by an **external fund manager**, or invested in a fund managed by an **external fund manager**, to reflect increases in the costs in running such a fund. Any increases in charges will not increase the profit margins of the **insurer** above reasonable levels.  
The **insurer** will give **you** 3 months' notice before it increases the management charge of a fund that **you** invest in. Where the **insurer's** fund is invested in a fund managed by an **external fund manager**, the **insurer** may not be able to give **you** 3 months' notice of an increase in the **external fund manager's** charge but the **insurer** will notify **you** as soon as is reasonably practical after it is informed of the increase.
- 7.23 The **insurer** will not normally charge for a switch between the funds available under the Standard Life Investment Policy, but it reserves the right to charge **you** a switching fee if:
- in our reasonable opinion, **you** are using the switch option to attempt to make short term gains on your investments; and
  - the fund that **you** are switching into or out of invests in **units** of an **external fund manager** and that **external fund manager** charges the **insurer** for the transaction.

However, this is a charge which we reserve the right to impose on all switches, if it becomes necessary for us to recover the costs we reasonably incur, as a result of carrying out switches between **Standard Life investment policy funds** on your behalf, or for any other grounds mentioned in section 10.25. This charge would be set in line with the factors explained in sections 10.21 to 10.24. If we do introduce such a charge we will give you 3 months prior notice, in accordance with section 19.5.

### Credits

- 7.24 The insurer may provide an ‘insured fund rebate’ by allocating extra units to the ones held for you in the **Standard Life investment policy funds** you selected. When we create an account and issue a confirmation to you, the **personal illustration** we provide to you will include details of the insured fund rebate, if any, that applies to you. You can obtain more information about which **Standard Life investment policy funds** attract insured fund rebates from your **financial adviser**.
- 7.25 The insurer can reduce (or stop applying) the insured fund rebates to reflect increases in its overall costs or changes in the assumptions that it makes in providing the Series B funds which attract the insured fund rebate. Any reduction or withdrawal of the insured fund rebate will not increase the insurer’s profits above reasonable levels. The insurer will give you 3 months’ notice before it reduces (or stops) an insured fund rebate for funds that you invest in.

### Assigning the Standard Life Investment Policy

- 7.26 The Standard Life Investment Policy is a master policy and not an individual policy held on your behalf. This means that you can’t ask the trustee to assign the Standard Life Investment Policy to the trustees of another scheme.

## 8. Mutual funds on the wrap platform

### Mutual fund prospectus and/or fund factsheet

- 8.1 Each **mutual fund** is divided into **units**. When your **authorised person** instructs us on your behalf to buy and sell units in a **mutual fund**, these units will be bought, subsequently held and sold subject to the terms set out in that **mutual fund’s prospectus and/or fund factsheet**. The trustee owns the units and holds them on your behalf. You should be aware that a **mutual fund’s prospectus and/or fund factsheet** may allow the **manager** to make changes to a **mutual fund** (for example, closing, winding up or dividing the **mutual fund**) as set out in the **mutual fund’s prospectus and/or fund factsheet**. For full details please refer to the **mutual fund’s prospectus and/or fund factsheet** which is available from your **authorised person**. Where the **manager** (i) makes any changes to a **mutual fund** as set out in the **mutual fund’s prospectus and/or fund factsheet**; or (ii) fails to administer a **mutual fund** in accordance with the **mutual fund’s prospectus and/or fund factsheet**, we will not make good all or any part of any loss that arises.
- 8.2 Your **authorised person** can use the **wrap platform** to instruct **Standard Life Savings** to buy and sell the units on behalf of the trustee. **Standard Life Savings** will follow the instructions to buy or sell units as soon as is reasonably practical (see sections 8.7 to 8.13). You should be aware that a **mutual fund’s prospectus and/or fund factsheet** may allow the **manager** to delay a sale or purchase (or suspend all sales and purchases) of the units in that **mutual fund**.
- 8.3 There is no minimum amount for investment in a **mutual fund** on the **wrap platform** but some **mutual funds** in which you may invest set minimum amounts, as explained in section 8.13.
- 8.4 The investment decisions for each **mutual fund** are made by the respective **manager** of each **mutual fund** and any investment restrictions for each **mutual fund** are listed in the relevant **mutual fund’s prospectus and/or fund factsheet**. For more information, please contact your **authorised person** who will be in a position to provide you with the latest **prospectus and/or fund factsheet** for each **mutual fund** or **mutual funds** that you are interested in.

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### Valuing funds

- 8.5 Prices of **units** of **mutual funds** are based on the value of the underlying assets in each **mutual fund**. **You** can find the most recently published price for the **mutual funds** in which **you** can invest via the **wrap platform** by contacting your **authorised person**. **You** should remember that all prices are historic prices and are not, therefore, prices at which **Standard Life Savings** is able to deal.
- 8.6 The price of the **units** purchased or sold will reflect the price available from the **manager** of the **mutual funds** at the **pricing point**.

### Buying and selling units

- 8.7 When your **authorised person** instructs **us** on your behalf to buy **units** in a **mutual fund** these **units** will be bought from the **manager** of that **mutual fund**. The price of the **units** is determined as explained in sections 8.5 and 8.6. For more details ask your **authorised person** to show **you** the **prospectus and/or fund factsheet**. The payment for your purchase will be made out of your holding in the **SIPP cash account**.
- 8.8 When your **authorised person** instructs **us** on your behalf to sell **units** in a **mutual fund** these **units** will be sold to the **manager** of that **mutual fund**. The price of the **units** is determined as explained in sections 8.5 and 8.6. For more details ask your **authorised person** to show **you** the **prospectus and/or fund factsheet**. The proceeds will be added to your holding in the **SIPP cash account** unless **you** instruct **us** otherwise via your **authorised person**.

### Switching between mutual funds

- 8.9 Your **financial adviser** can instruct **us** on your behalf to switch your investments between **mutual funds**. **We** will not charge for a switch between the **mutual funds** available from the **wrap platform**, but, if a **manager** of a **mutual fund** imposed any exit fee or similar charge for a switch, **we** will pass these on to **you**.

However, this is a charge which **we** reserve the right to impose on all switches, if it becomes necessary for **us** to recover the costs **we** reasonably incur, as a result of carrying out switches between **mutual funds** on your behalf, or for any other grounds mentioned in section 10.25. This charge would be set in line with the factors explained in sections 10.21 to 10.24. If **we** do introduce such a charge **we** will give **you** 3 months prior notice, in accordance with section 19.5.

- 8.10 **Units** will be sold and purchased at the prices available from the **managers** of the relevant **mutual funds** at the appropriate **pricing point**. Due to potential timing differences between the **pricing points** of different **mutual funds**, the implementation of a switch instruction may result in investment monies being temporarily uninvested and held in cash in your holding in the **SIPP cash account** pending reinvestment.

### Instructing the purchase or sale of units

- 8.11 Where a **mutual fund** is priced on every **business day**, your **units** will normally be purchased at the price achieved at the **pricing point** on the third **business day** or earlier following **Standard Life Savings** receipt of instructions via the **wrap platform**.
- 8.12 **Standard Life Savings** will instruct the sale of **units** as described in sections 8.8 and 8.10 as soon as reasonably practical. Where a **mutual fund** is priced on every **business day**, your **units** will normally be sold at the price achieved at the **pricing point** on the third **business day** or earlier following **Standard Life Savings'** receipt of the instructions via the **wrap platform**. **Standard Life Savings** will use the proceeds of the sale of these **units** to purchase **units** in the **mutual funds** that **you** have instructed **Standard Life Savings** to switch your investments to, as soon as reasonably practical. Where a **mutual fund** is priced on every **business day**, your **units** will normally be purchased at the price achieved at the **pricing point** on the next **business day** after **Standard Life Savings** receives confirmation that the original **units** have been sold or, if the purchase price is to come from the cancellation of **units** from **Standard Life investment policy funds**, when the proceeds of those **units** are available. As explained in sections 7.18 and 8.1, the **insurer** or the manager of the **Standard Life policy funds** or **mutual funds** concerned may, in some circumstances, be allowed to suspend or delay transactions. For more information on these issues please refer to the **insurer's** leaflet in 'Understanding unit-linked funds'; or the relevant **mutual fund prospectus and/or fund factsheet**, which is obtainable from your **authorised person**.

- 8.13 Some **mutual funds** in which **you** invest will impose a minimum value of **units** that can be sold and a minimum value which must be retained after a sale. Please contact your **authorised person** who will be able to provide specific details.

## 9. Property

- 9.1 If **we** and the **trustee** agree to the purchase, (please refer to section 5.4 for more details on the factors affecting the **trustee's** decision making process), **you** can invest in commercial property in the **UK**. To begin the process **you** must read our guide to the purchase of property and then complete our property questionnaire.
- a) All surveys will be examined by our appointed environmental specialist.
  - b) All legal work will be done by our appointed firm of solicitors.
  - c) If a property is purchased, it will be managed by our appointed property management company.
  - d) Any property insurance will be taken out with an insurer chosen by **us**.
- The cost of the valuation report is normally deducted from the **plan** and the charges for the professional work listed above are explained in sections 10.60 to 10.62.
- 9.2 **We** may allow **you** and one or more members of the **scheme** to invest in the same property, provided that **you** are all connected with the business which will be the tenant of the property.
- 9.3 The **trustee** won't buy any property from **you**, or from anyone connected with **you**, unless the purchase is on normal commercial terms. For more information on this issue, please see our Commercial Property Guide which **you** can obtain from your **financial adviser**.

### Charges

- 9.4 **We** list the charges that apply to property investment in sections 10.52 to 10.64. **You** can obtain our Commercial Property Guide setting out the current level of these charges from your **financial adviser**. **We'll** collect these charges from your holding in the **SIPP cash account**.
- 9.5 If the purchase of the property doesn't go ahead, **we** won't refund the property set up charge (see section 10.53) and **you'll** be charged for all the expenses incurred, including the cost of searches, surveyor's fees, environmental reports and the solicitors' time.

### Borrowing

- 9.6 The **trustee** can set up a borrowing arrangement for your **plan** to finance the purchase or development of a commercial property, or to pay for any VAT arising from the purchase of such a property. If the **trustee** does so and the lender makes a charge for arranging the mortgage, **we'll** deduct that charge from the **plan**.
- 9.7 All borrowing must be:
- a) within the limits set out in section 182 of the Finance Act 2004;
  - b) on commercial terms; and
  - c) repaid in full after the property is sold.
- Section 182 of the Finance Act 2004, mentioned above, sets out limits to the amount a **registered pension scheme**, such as the **scheme** can borrow without having to pay an additional tax charge. It is based on a complicated technical equation involving the borrowings and assets of your **plan**.
- 9.8 Where the **trustee** borrows money for your **plan** to pay any VAT arising from the purchase or development of a commercial property held in your **plan**, the loan must normally be repaid:
- a) within 12 weeks after the date the purchase or development is completed or, if earlier
  - b) by the date on which the amount of the VAT is refunded to the **trustee**.
- This is only an indication of the terms generally applicable. Please check the specific terms of the borrowing arrangement set up by the **trustee** on your behalf.

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### Leasing

- 9.9 If the **trustee** buys a property that's leased to:
- you** (or **you** and your business partners) for the purposes of your trade or profession, or
  - a company that's connected to **you**, for the purposes of a business carried on by that company (for more information on this issue, please see our Commercial Property Guide which **you** can obtain from your **financial adviser**),
- then the lease must be granted on normal commercial terms and the rent payable under the lease must be at a commercial rate supported by an independent professional valuation.

### Selling property

- 9.10 If your **plan** is invested in property when **you** die, **we'll** sell the property (or your share of the property) if:
- there's more than one beneficiary under your **plan**, or
  - there's only one beneficiary and **we** need the proceeds of the sale to provide a lump sum or to buy an **annuity** under sections 12, 13 and/or 14.
- 9.11 **We'll** charge your **plan** for the costs involved in selling the property.

## 10. Charges

- 10.1 This section describes all the types of charges that **we** may apply to your **plan**. The charges payable by **you** depend on the investments **you** choose to invest in and hold in your **plan** and the commission **we** pay to your **financial adviser**. The charges will be shown in your **personal illustration** and will be made up of some or all of the types of charges described in this section 10, depending on the investments **you** make and hold in your **plan**. **You** can obtain information on the current level of each of these charges from the **charging schedule** which is Annex 1 to the **client terms and conditions for wrap services**, your **financial adviser** or from the **wrap platform**. If **we're** unable to collect a charge or to recover our costs from your **plan**, **we** will contact your **financial adviser** to discuss how this issue can be resolved. In sections 10.4 to 10.67, '**we**' can mean Standard Life Assurance Limited, **Standard Life Savings**, or both companies acting together.

### Standard Life Investment Policy

- 10.2 Sections 7.21 and 7.22 describe the management charges that apply to the **Standard Life investment policy funds** and the basis on which they can be increased. Section 7.21 describes when a switch charge may apply.
- 10.3 Sections 7.24 and 7.25 describe when and how **we** add extra **units** to your holdings in the **Standard Life investment policy fund(s)** in which **you're** invested. This reduces the effect of the management charge.

### Administration charges

- 10.4 **We** make an 'initial administration charge' when **you** first invest in any assets that aren't:
- Standard Life investment policy funds**,
  - mutual funds** traded on the **wrap platform**, or
  - cash held in the **SIPP cash account**.
- Once **you** have made your first investment in assets which are not the assets listed above any subsequent investment in these types of assets will not be subject to our initial administration charge.
- 10.5 **We** make a 'yearly administration charge' on the **yearly charge date** for any investments not listed in section 10.4 **you** hold in your **wrap SIPP** at any time in the 12 months prior to **us** levying the yearly administration charge.
- 10.6 **We** make a 'pension fund withdrawal charge' on the **yearly charge date** once **you've** applied a **pension date** to any part of your **plan** to take income (even if **you've** not yet taken any income) if **you've** been invested in assets that aren't:
- Standard Life investment policy funds**,
  - mutual funds** traded on the **wrap platform**, or
  - cash held in the **SIPP cash account**.

If **you** use all of your **post pension date accounts** to buy an **annuity**, we'll still make this charge if **you** have any **pre pension date accounts** under the **plan**.

- 10.7 Each **manager** of the **mutual funds** of the class traded on the **wrap platform** will levy an annual management charge to pay for the services it provides. This charge is applied each **business day** after the **mutual fund** has been valued and before the **unit** price is set. **You** can find out the annual management charge which applies to a particular **mutual fund** **you** have chosen by contacting your **financial adviser** or from the **personal illustration** we provide to **you**. **Standard Life group** will not be responsible for any increase in the annual management charge levied by any **manager**. Each **manager** of the **mutual funds** of the class traded on the **wrap platform** may also deduct charges and expenses from their **mutual fund(s)**. Details of these charges and expenses can be found in the **prospectus and/or fund factsheet** for each **mutual fund** which is available from your **financial adviser**.

Most **managers** of **mutual funds** will pay a part of the annual management charge that they collect to **us**. These payments then form part of our charges for providing and administering your **wrap products** (including the **wrap SIPP**). For some **mutual funds**, we are able to pay a fund manager rebate back into your **plan** if the payment we receive from a **manager** is greater than our administration charges and allows us a reasonable margin for profit but, for other **mutual funds**, we do not receive enough from the **manager** to cover our administration charges so we need to collect an additional administration charge for these **mutual funds** on top of the annual management charge. The amount of the fund manager rebate or of the additional administration charge payable either to **you** or by **you** will depend on which **mutual funds** **you** hold in your **plan**. Both the fund manager rebate and the additional administration charge are fund based charges as explained in section 10.22.

- 10.8 This means that every **mutual fund** that is traded on the **wrap platform** will have an annual management charge (and expenses) and most **mutual funds** will have a fund manager rebate or an additional administration charge payable by or to **Standard Life Savings**.
- 10.9 **You** can obtain more information from your **financial adviser** on the annual management charge (and expenses) for each **mutual fund** traded on the **wrap platform** and those **mutual funds** where an additional administration charge or a fund manager rebate applies.
- 10.10 We make a 'transaction charge' for buying and selling investments other than **Standard Life investment policy funds**, mutual funds traded on the **wrap platform**, and/or cash held in your **SIPP cash account**. This transaction charge will apply each time your **financial adviser** instructs any transaction, for example, where your **financial adviser** places a trade with our appointed execution-only stock broker. Different transaction charges apply to the buying and selling of different types of investments. We may cap the total amount of the transaction charges we'll make in a year on particular types of investments. For more information, please see the **charging schedule** which is contained in the **client terms and conditions for wrap services** and is also available from your **financial adviser**.
- 10.11 If your **financial adviser** uses our appointed execution-only stockbroker to place your trades (as explained in sections 5.7 to 5.9) or if **you** use a **discretionary investment manager** (as explained in sections 5.10 to 5.13), **you** will also have to pay their charges. The 'capping' of our transaction charge mentioned above does not apply to the charges made by our appointed execution-only stockbroker or a **discretionary investment manager**.
- 10.12 We'll also apply a transaction charge for transferring the ownership of an asset from the **trustee** to the trustees of another scheme if **you** ask for an **in-specie transfer payment** under section 16.7.
- 10.13 We make a 'valuation charge' if **you** ask **us** for the current value of an asset and we have to contact the asset provider for an up-to-date valuation. If the asset provider charges **us** for the valuation, we'll also pass that charge on to **you**.
- 10.14 We make a yearly 'investment manager charge' for each **discretionary investment manager** **you** appoint from our panel. We'll collect a proportion of the charge on the day of the appointment and the full charge on each **yearly charge date** from then on. (The proportion will be the period of days from the date of appointment to the next **yearly charge date** divided by 365).

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10.15 We'll collect all of the charges described in sections 10.4 to 10.14 from your holding in the **SIPP cash account**. If there's not enough money to pay a charge, we'll collect it in the way described in sections 5.16 to 5.18.

### Rebates and discounts

10.16 If the value of certain investments in all your **wrap products** including the **plan** is above a certain level as set out in the **charging schedule**, the **scheme administrator** will pay a 'wrap fund based administration rebate' into your holding in the **SIPP cash account**.

10.17 You may qualify for a 'wrap family discount' based on the value of certain investments in your **wrap products** and the **wrap products** of your parents, grandparents, children, grandchildren, siblings, spouse or civil partner (i.e. your 'close family'). If you qualify for a 'wrap family discount' and your **financial adviser** asks us to apply it to your **wrap account**, you will be paid the 'wrap family discount' into your **SIPP cash account** instead of the 'wrap fund based administration rebate'.

10.18 The investments that will be considered to determine your eligibility for the wrap fund based administration rebate or the wrap family discount include:

- a) the **Standard Life Investment Policy funds**;
- b) **mutual funds** traded on the **wrap platform**; and
- c) any equities (for example, stocks, shares and investment trusts) held in a stocks and shares **wrap ISA** or a **wrap personal portfolio**.

10.19 We use the value of those investments listed in section 10.18 above in all the **wrap products** that you (or when relevant, your close family) own to set the rate of the wrap fund based administration rebate or the wrap family discount for each of your **wrap products**. Each **wrap product** can have a different rate.

10.20 We then apply the rate determined as explained in section 10.19 for your **wrap SIPP** and apply that rate (which is a percentage) to the value of your investments in **Standard Life Investment Policy funds** and those **mutual funds** held in your **plan** that have been traded on the **wrap platform**. You can obtain details of our current basis for calculating the wrap fund based administration rebate and the wrap family discount from your **financial adviser**.

### How we set our charges

10.21 Our total charges under the **wrap SIPP** product are intended to cover our overall costs in providing the **wrap SIPP** product (including an appropriate proportion of the costs of the **wrap platform**) and to provide reasonable margins for profit. (As explained in section 10.64, our property charges and costs are calculated separately.)

10.22 We have charges that are expressed as a proportion of a **scheme member's** investments of particular types in their **plan** (a 'fund based charge') and other charges for particular options or services that are expressed as an amount of money (a 'monetary charge'). We set the level of both types of charge so that there is a reasonable balance between the total charges that we receive for **members** of the **scheme** who use particular options and services and those that we receive for **members** who do not use those options or services but may do so in future. We also set the charges (and rebates of charges) so that there is a reasonable balance between customers who are using the **wrap platform** for different products.

10.23 At least once a year, we'll review our assumptions and our overall costs in providing the **wrap SIPP** product (including an appropriate proportion of the costs of the **wrap platform**) and our costs in providing the particular options and services under the **wrap SIPP** product. These costs are unknown when **plans** start and we need to make assumptions about future costs when setting our charges.

10.24 As a result of a review of our assumptions and overall costs, we may adjust the balance in the level of and mix of charges (and rebates of charges and/or discount) for existing customers. We will only make these adjustments if we have reasonable grounds to do so and the resulting balance is a reasonable balance of charges for customers who are using the **wrap platform** for different investments and/or products.

- 10.25 For the purposes of section 10.24, ‘reasonable grounds’ include:
- a) simplifying the charging structure for existing and new customers;
  - b) making reasonable adjustments to set an appropriate level of charges for **members** of the **scheme** who are using different options and services;
  - c) reflecting increases in our costs of providing the **wrap SIPP** (including an appropriate proportion of the costs of the **wrap platform**);
  - d) reflecting increases in our costs (including salary costs) in providing particular options and services available under your **plan** and the **wrap platform**;
  - e) reflecting reasonable changes in the assumptions that we make about the future costs in providing the **wrap SIPP** and the **wrap platform**;
  - f) reflecting reasonable changes in the assumptions that **we** make about the future costs in providing particular options or services available under your **plan** and the **wrap platform**; and
  - g) responding to changes in the **wrap platform**, including the services offered via the **wrap platform** and its use.
- 10.26 The adjustments to our charges mentioned in sections 10.24 and 10.25 may include changes to both the levels of the monetary charges and the fund based charges as well as changes to the level of the wrap fund based administration rebates and to the wrap family discount. **We’ll give you 3 months’ notice** before the adjustments become effective.

#### Fund based charges on Standard Life investment policy funds

- 10.27 The fund based charges on the **Standard Life investment policy funds** are described in sections 7.21 to 7.23 and are reviewed by the **insurer**.

#### Fund based charges on mutual funds

- 10.28 The fund based charges on **mutual funds** of a class that is traded on the **wrap platform** are described in sections 10.7 to 10.9.
- 10.29 The **manager** of a **mutual fund** may increase or reduce their charge and, when **we** are informed, **we** will notify your **financial adviser** of the change through the **wrap platform**. Where the change results in an additional administration charge (including an increase in such a charge) or a reduction in the fund manager rebate for that fund, **we’ll inform you** as soon as reasonably practical.
- 10.30 Where, as a result of a review under section 10.23, **we** decide to increase the charges that **we** receive in respect of **mutual funds** traded on the **wrap platform**, **we’ll give you 3 months’ notice** of the level of the increase before the change becomes effective. This will apply whether the increase results in an additional administration charge (including an increase in such a charge) for a particular fund or a reduction in a fund manager rebate that **we** pay back into your **plan** for that **mutual fund**.

#### Wrap fund based administration rebate

- 10.31 The wrap fund based administration rebate/wrap family discount is described in sections 10.16 to 10.20. Where, as a result of a review under section 10.23, **we** reduce the wrap fund based administration rebate/wrap family discount, **we’ll give you 3 months’ notice** before the change becomes effective. (If the change is matched by an equivalent increase in the fund manager rebate (or a decrease in the additional administration charge), the change can be effective immediately.

#### Monetary charges

- 10.32 The charges described in sections 10.4 to 10.6, 10.10 to 10.14 and 10.53 to 10.62 are monetary charges.
- 10.33 Any increases in both types of charges will not increase our profit margins on the **wrap SIPP** product above reasonable levels.
- 10.34 **We** may also introduce new monetary charges –
- a) for new options or services;
  - b) for additional administration costs imposed on **us** or which we couldn’t have reasonably anticipated at the start of the **plan**; or

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- c) to make reasonable adjustments to set an appropriate level of charges for customers who are using the **wrap platform** for different products.

Where, as a result of a review under section 10.23, **we** increase the charges described in sections 10.4 to 10.6, 10.10 to 10.14 and 10.53 to 10.62 or add new ones in order to cover additional administration costs (together our “administration charges”), **we’ll** give **you** 3 months’ notice before the change becomes effective.

### Property charges

10.35 The monetary property charges are reviewed on the basis described in sections 10.53 to 10.62.

### Financial adviser’s remuneration

10.36 **You** can pay for the services of your **financial adviser** in two ways. Firstly **you** can agree to pay a fee directly to your **financial adviser** or, secondly, **you** can agree that **we** should pay commission to your **financial adviser** in relation to your **plan**. Sections 10.36 to 10.50 explain how your **financial adviser’s** remuneration will impact upon your **plan** if **you** ask **us** to pay your **financial adviser’s** commission on your behalf.

### Charges for level commission or financial adviser remuneration: regular payments

10.37 **We** make an ‘initial charge’ from each payment to your **flexible account** if **you** ask **us** to pay level commission to your **financial adviser**. The amount of the initial charge is the same as the amount of the level commission. **We’ll** show the level of the initial charge in the account confirmation that **we** give **you**.

### Charges for initial commission or financial adviser remuneration: single or transfer payment

10.38 **We** make an ‘initial charge’ from an **account** set up for a single or **transfer payment** if **you** ask **us** to pay initial commission to your **financial adviser** for that **account**. The amount of the initial charge is the same as the amount of the **initial commission**. This charge is deducted from the **SIPP cash account** but, if **you** decide to invest a proportion of the single or **transfer payment** in one or more **Standard Life Investment Policy funds**, **we’ll** cancel the appropriate proportion of the charge from each of those **Standard Life investment policy funds**.

10.39 If **you** ask **us** to pay **initial commission**, **we’ll** deduct the initial charge at the end of the day on which **we** create the **account** or receive a further payment. And **we’ll** show the amount of the initial charge in the account confirmation that **we** give **you**.

10.40 If **you** ask **us** to pay initial commission when **you** start to take an income from your **plan** the **initial commission** will be based on the full value of your **plan** before any tax-free lump sum is paid. **We’ll** spread the initial charge across all your **accounts**, both those becoming **post pension date accounts** and those remaining **pre pension date accounts**. **We’ll** give **you** confirmation of the amount of the initial charge that’s deducted from each **account**.

### Charges for funded initial commission or financial adviser remuneration: single or transfer payment

10.41 For single or **transfer payments**, **you** can ask **us** to pay **funded initial commission** to your **financial adviser**. Where **we** agree to do so, **we** make an ‘**additional charge**’ from the **account** set up for the single or **transfer payment**. **We** express the additional charge as a percentage of the value of the **account** and **we** deduct the **additional charge** from the **account** on the **monthly charge date** for a fixed period, known as the **charging period**.

10.42 If **you** ask **us** to pay **funded initial commission** when **we** create the **account**, **we’ll** show the level of the **additional charge** (as a percentage), and the last **monthly charge date** on which **we’ll** collect it, in the account confirmation that **we** give **you**.

10.43 If **you** ask **us** to pay **funded initial commission** when **you** start to take an income from your **plan**, **we** apply an **additional charge** to every **account**, both those becoming **post pension date accounts** and those remaining **pre pension date accounts** except for:

- a) any **pre pension date account** that’s already subject to an **additional charge** and is still within its **charging period**; and

b) any **post pension date account** created from an **account** that's already subject to an **additional charge** and is still within its **charging period**.

We'll give you confirmation of the **additional charge** that applies to each **account** (except those listed above) and the last **monthly charge date** on which we'll collect it.

10.44 If we're making an **additional charge** from a **pre pension date account** and you apply a **pension date** to all or part of that **account** during the **charging period**, we'll also make an **additional charge** from the **post pension date account** that's created.

Where you take a lump sum or we pay a **lifetime allowance** charge, we will not be collecting the **additional charge** on those amounts. The yearly rate of the **additional charge** on the **post pension date account** is increased to allow for the money paid out. When a **pre pension date account** becomes a **post pension date account** the last **monthly charge date** will remain the same.

10.45 We'll make a **transfer charge** if you transfer any **accounts** out of the **scheme** or if we pay a transfer value for your ex-spouse or ex-civil partner under a **pension sharing order** out of one of your **account(s)** and these **account(s)** are still within the **charging period** for an **additional charge**. We'll calculate the **transfer charge** for an **account** by:

- a) multiplying the yearly rate of the **additional charge** that applies to that **account** by
- b) the number of **monthly charge dates** from the transfer date up to the end of the **charging period**
- c) dividing this percentage by 12, and
- d) multiplying the above by the amount being transferred.

We'll deduct the **transfer charge** from the amount being transferred.

So, assuming that the yearly rate of the **additional charge** is 0.5%, that the number of **monthly charge dates** up to the end of the **charging period** is 26 and the value of the transferred **account** is £10,000, the **transfer charge** will be:  $0.5\% \times 26 / 12 \times 10,000 = £108.33$ . So you will be able to transfer  $£10,000 - 108.33 = £9,891.67$ .

10.46 We'll also make a **transfer charge** if you intend to use all or part of a **post pension date account** that's subject to an **additional charge** to buy an **annuity** during the **charging period**. (This includes any **post pension date account** where you choose to buy an **annuity** on the **pension date**.) We'll calculate the **transfer charge** for an **account** by:

- a) multiplying the yearly rate of the **additional charge** that applies to that **account** by
- b) the number of **monthly charge dates** from the **annuity** purchase date up to the end of the **charging period**
- c) dividing this percentage by 12, and
- d) multiplying the above by the amount you intend to use to buy the **annuity**.

We'll deduct the **transfer charge** from the **post pension date account** provided that you do not use all the value of the **account** to buy the **annuity**, in which case we'll deduct the **transfer charge** from your holding in the **SIPP cash account**.

Continuing from the previous example, if the yearly rate of the **additional charge** is 0.5%, the number of **monthly charge dates** from the date the **annuity** is purchased up to the end of the **charging period** is 14 and the cost of the **annuity** is £5,000, the **transfer charge** will be:  $0.5\% \times 14 / 12 \times 5,000 = £29.17$ . So you will be able to use  $£5,000 - 29.17 = £4,970.83$  to buy an **annuity**.

#### Charges for fund based renewal commission or financial adviser remuneration

10.47 We will make a 'regular charge' from the **account** if you ask us to pay **fund based renewal commission** to your **financial adviser** for that **account** – (or we pay remuneration, benefits and services to your **financial adviser** that correspond to **fund based renewal commission**). The amount of the regular charge is the same as the amount of the **fund based renewal commission**. We express both as a percentage of the **account**.

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10.48 We'll deduct the regular charge:

- a) on the **monthly charge date** if we're paying monthly **fund based renewal commission**;
- b) on the **yearly charge date** if we're paying yearly **fund based renewal commission**;
- c) every 3 months on the **monthly charge date**, if we're paying **fund based renewal commission** quarterly; or
- d) every 6 months on the **monthly charge date** if we're paying it half-yearly.

We'll give you confirmation of the level of the regular charge as a percentage of the **account** to which it applies.

10.49 If a regular charge applies to a **pre pension date account**, the same regular charge will apply to any **post pension date account** that's created from it, unless you ask us to pay a different level of **fund based renewal commission** to your **financial adviser**.

10.50 We'll continue making a regular charge if you dismiss your **financial adviser** and don't appoint a new **financial adviser** for your **plan**. For the consequences of dismissing your **financial adviser** and process by which you can appoint a new one, please see the **client terms and conditions for wrap services**. These are available from your **financial adviser**.

### Collecting charges for commission

10.51 We'll collect the charges for commission from your holding in the **SIPP cash account** except for part of the initial charge which we collect in the way described in section 10.40. If there's not enough money to pay a charge, we'll collect it in the way described in sections 5.16 to 5.17.

### Property charges

Sections 10.52 to 10.64 describe the charges we make in relation to investment in property. If you want more information on these charges you can request a copy of our property charge leaflet from your **financial adviser**.

10.52 When we talk about the purchase of a property in the following sections, this includes receiving ownership of the property from the trustees of another scheme as part of an **in-specie transfer payment**. When we talk about the sale of a property in the following sections, this includes transferring ownership of the property to the trustees of another scheme if you ask for an **in-specie transfer payment** to that scheme under section 16.7.

10.53 We make a 'property set up charge' each time you ask us to purchase a property. We deduct this charge when the property purchase is completed, or earlier if the purchase is terminated before completion.

10.54 We make the following charges for a property when the purchase is completed and then yearly on the anniversary of that date:

- a) a 'property administration charge' for each property;
- b) a 'VAT administration charge' (if the property is registered for VAT);
- c) a 'mortgage administration charge' (if the **trustee** sets up a borrowing arrangement for you);
- d) a 'multi-member charge', which is additional to our other charges, (if any other **member** is also invested in the property).

10.55 We make an administration charge for 'property development' or 'property refurbishment' each time we deduct the actual costs of development or refurbishment from the **plan**. We calculate our charge on a 'time cost' basis.

10.56 We also make a charge on a 'time cost' basis for the work we do in relation to:

- a) remortgaging a property with the same or a different lender, including any remortgage which doesn't complete;
- b) altering the membership of a syndicate;
- c) arranging to meet outstanding property charges where there were not enough funds in your holding in the **SIPP cash account** when payment was due;
- d) dealing with rent arrears.

10.57 We make a 'sale charge' when we sell a property or earlier if the sale is terminated before completion. This charge won't apply to any property owned by the **trustee** before 1 January 2007.

- 10.58 Our environmental surveyors charge for their services. The level of the charge depends on whether a site visit is required and whether any additional reports or investigations are required. Where a site visit or additional reports are required, **we**'ll notify **you** in advance. These charges are subject to VAT and are deducted from your **plan**.
- 10.59 Our appointed solicitors charge reasonable rates for the quality of service that **we** require for the work they do in relation to the buying or selling of a property and the drawing up of any lease. They'll give **you** a quote when **we** instruct them to go ahead with the property transaction. Their charges (which are subject to VAT) are deducted from your **plan** after they've provided their services. If **you** decide not to complete the property transaction then **you**'ll be charged for their work to date.
- Our appointed solicitors will have to pay third party costs in relation to the purchase or sale of a property. These costs include paying for searches and land registry fees and stamp duty land tax. These costs will be deducted from your **plan**. This applies even if the property transaction is terminated before completion.
- 10.60 Our appointed property managers charge for the work they do in relation to managing a property. These charges are subject to VAT and are deducted from your **plan**.
- They make an 'initial set up charge' when a purchase is completed.
  - They make a 'yearly core services charge' when a purchase is completed and then yearly on the anniversary of that date. It's used to pay for the core services that they provide.
  - They make other charges on a 'time cost' basis for any additional services that they provide (for example their services in relation to lease renewals, rent reviews and multi-let property management).
  - If a property becomes vacant, they'll inspect the property. The costs of any work that's necessary to maintain the property during the vacancy will be deducted from your **plan**.
  - If a property is being sold, they make a 'property sale charge' for the work carried out in relation to the sale.
- 10.61 If **we** have reasonable grounds to consider that a third party needs to be appointed to undertake any special work in respect of the property, **we** will contact your **financial adviser** and/or yourself and notify **you** of the work required and the costs involved. Where practical, **we** will take account of your wishes on who **we** should appoint to do the work.
- 10.62 Where a property transaction is complex or involves more than one member, **we**'ll negotiate the charges with **you** instead of applying our standard charges.
- 10.63 **We**'ll collect all of the charges described in sections 10.53 to 10.62 from your holding in the **SIPP cash account**. If there's not enough money to pay a charge, **we**'ll collect it in the way described in sections 5.16 and 5.17.
- 10.64 The charges described in sections 10.53 to 10.62 are intended to cover our costs in buying (or selling), managing and maintaining a property, and to provide reasonable margins for profit. **We**'ll review them at least once a year. Some of our costs in relation to property investment are unknown when the **plan** starts and **we** may need to make assumptions about future costs when setting our charges.
- We** may increase these charges to reflect increases in our costs in relation to property investment or changes in the assumptions **we** make. Any increases in these charges will not increase our profit margins above reasonable levels. Where **we** know that **we**'ll be collecting a charge from your **plan** that **we** are intending to increase, **we**'ll give **you** up to 3 months' notice before **we** increase that charge.
- We** may also introduce new charges in relation to property investment to cover any new options or services or where additional costs which are imposed on **us** or which **we** couldn't have reasonably anticipated at the start of the **plan**.

#### Miscellaneous charges

- 10.65 **We** will apply a one-off "alternatively secured charge" at your 75<sup>th</sup> birthday if **you** continue to be invested in the **scheme**. This charge is for converting your **account(s)** into an **alternatively secured pension fund** on your birthday or, if later, on the date that **we** trace **you** if **you** have not contacted **us** by your 75<sup>th</sup> birthday.
- 10.66 Section 4.8 describes the charges that apply if a cheque or direct debit is rejected after **we**'ve used it to buy investments.

10.67 If **you** dismiss your **financial adviser** and **we** agree to accept payments when **you're** without a **financial adviser**, **we** can apply initial, additional or regular charges to those payments as if **we** were paying commission or **financial adviser** remuneration (see sections 10.36 to 10.51). If this ever applies to **you**, **we'll** tell **you** what the charges are going to be before **we** accept the payment. For the consequences of dismissing your **financial adviser** and process by which **you** can appoint a new one, please see the **client terms and conditions for wrap services**, which are available from your **financial adviser** or the **wrap platform**.

## 11. Choosing a pension date

11.1 **You** can select the **pre pension date accounts** that **you** wish to apply a **pension date** to. If **you** don't make a choice, **we'll** apply a **pension date** to the oldest **account** first except for any **flexible account** which **we'll** leave to last.

Please note in all cases the **pre pension date accounts** which represent **protected rights** must be targeted last.

11.2 As explained in section 2.3, each time **you** ask **us** to start paying **you** **benefits** from a part of your **plan**, **we'll** apply a **pension date** to it. **You** can apply a **pension date** to all (or part) of a **pre pension date account**. The part to which **we** apply a **pension date** becomes a **post pension date account**. **We** can, at your request, apply a **pension date** to different **pre pension date accounts** at different times. This section describes the **benefits** which are payable to **you** when a **pension date** is applied to one of your **accounts** or from a **post pension date account**. Each time **we** apply a subsequent **pension date** to your **pre pension date account**, a review of your **maximum income** will take place.

### Your pension date

11.3 Any **pension date** **you** choose cannot be earlier than the 'normal minimum pension age' (which is 50 up to 5 April 2010 and will be 55 from 6 April 2010) unless:

- a) **you** have transitional rights to a protected pension age (which is the mechanism set up by the **revenue** when it simplified the pensions tax regime from 6 April 2006 to protect rights built up before that date) and **you** satisfy the conditions in the **rules**. If **you** think that **you** may qualify, please speak to your **financial adviser**; or
- b) **we're** satisfied that **you** are, and will continue to be, incapable of carrying on your occupation because of physical or mental impairment. (In this case **you** must provide medical evidence to show that **you've** become incapable of carrying on that occupation and are unlikely to return to it).

To find out more about protected pension age and early retirement pension dates due to ill health please contact your **financial adviser**.

11.4 The latest **pension date** **you** can choose is the day before your 75<sup>th</sup> birthday. This is the last day on which **we** can pay a lump sum to **you**. On your 75<sup>th</sup> birthday, any remaining **pre pension date accounts** will automatically become **post pension date accounts** and **you** will lose the right to a tax free lump sum.

11.5 **You** can't ask **us** to apply a **pension date** to a **pre pension date account** before the **account** is created or before **we** receive your instruction. **You** can only ask **us** to apply a **pension date** to your **pre pension date accounts** that represent **protected rights** once **you've** applied a **pension date** to all your other **pre pension date accounts**.

### Taking benefits from pension date

11.6 At a **pension date** **you** may take any one or more of the **benefits**.

11.7 When **we** apply a **pension date** to a **pre pension date account**, **you** will normally be able to use some of the investments contained in the **pre-pension date account** to provide a lump sum at **pension date**. Once the lump sum, if any, has been paid the balance of the **post pension date account** (less any **lifetime allowance charge**, detailed in section 4.22) must be used to provide a pension for **you**. This means:

- a) **you** can use the balance to buy an **annuity** (as described in sections 11.24 to 11.28); or
- b) **you** can take income drawdown:
  - (i) up to the day before your 75<sup>th</sup> birthday on the basis described in sections 11.11 to 11.15 or sections 11.16 to 11.23 (also known as 'unsecured pension'), then

- (ii) from your 75<sup>th</sup> birthday on the basis described in sections 11.11 to 11.15 (also known as ‘alternatively secured pension’).

If **you** have never taken income drawdown from your **plan** before, we’ll only allow **you** to start income drawdown if **we** consider that your **plan** is large enough to meet your retirement needs. **You** can find out about the current basis on which **we** decide if a **plan** is large enough for income drawdown from your **financial adviser**.

### Lump sum

11.8 **You** cannot take a lump sum at **pension date** in accordance with section 11.7 if:

- a) the **pension date** is on or after your 75<sup>th</sup> birthday;
- b) the **account** to which the **pension date** is being applied was created from a **transfer payment** of an **unsecured pension fund** or an **alternatively secured pension fund** from another **scheme**; or
- c) the whole of the **account** to which the **pension date** is being applied represents a disqualifying pension credit. (This applies on divorce if **you** receive a share of a pension held by your former spouse or former civil partner that is already providing **benefits**).

The maximum tax free lump sum is normally 25% of the value of the **account** from which the lump sum is being paid (excluding any disqualifying pension credit). A higher amount may be available if **you** have transitional rights (which are the mechanism set up by the **revenue** when it simplified the pensions tax regime from 6 April 2006 to protect rights built up before that date). If **you** think that transitional rights might apply to **you**, please contact your **financial adviser**.

11.9 **We**’ll provide the lump sum at **pension date** from the investments that **we** move out of the **pre pension date investment mix**. If **you** don’t give **us** any instructions about how to move your investments (and therefore how to provide your lump sum), **we**’ll move a proportion of each **Standard Life investment policy fund** and a proportion of the ‘additional investments’ out of the **pre pension date investment mix**, and provide the lump sum by:

- a) cancelling **units** proportionately from each of these **Standard Life investment policy funds**;
- b) if this produces an insufficient amount, paying the lump sum (or the balance) from your holding in the **SIPP cash account**.

Unless the whole lump sum is being provided from the **Standard Life investment policy funds**, **you** must ensure that your **financial adviser** takes all required actions so that there are sufficient funds available in the **SIPP cash account** to pay the lump sum. Your **financial adviser** must use the **wrap platform** to sell investments on your behalf, as explained in sections 5.16. If your **financial adviser** fails to do so, **we** reserve the right to delay payment of the lump sum or to sell investments on the basis described in section 5.17 and 15.18.

### Moving your investments

11.10 Under your **plan** **you** can have a **pre pension date investment mix** and a **post pension date investment mix** (as explained in sections 2.7 and 2.8). When **we** create a **post pension date account**, **you** can name individual **Standard Life investment policy funds** which should be moved out of the **pre pension date investment mix** into the **post pension date investment mix**. Because **we** group together all other investments (including your holding in the **SIPP cash account**) as ‘additional investments’, **you** can only tell **us** how much of the ‘additional investments’ **you** want **us** to move into the **post pension date investment mix**.

**You** can find an illustration of the process by which investments are moved out of the **pre pension date investment mix** into the **post pension date investment mix** in Annex 2 of these terms.

### Income drawdown

11.11 **You** can take an income from each **post pension date account** up to the **maximum income** set out in the **rules**. The maximum is calculated differently for someone who is younger than 75 and someone who is aged 75 or older. There’s also a **minimum income** if **you**’re aged 75 or older.

## Self Invested Personal Pension for Wrap Terms and Conditions

If **you**'re under 75 **you** can ask for your gross income (which is your income before tax is deducted) to be the **maximum income**, a percentage of the **maximum income** or a set sum of money (including £0). If **you**'re aged 75 or older **you** can ask for your gross income to be the **minimum income**, the **maximum income**, or somewhere in between the **maximum income** and the **minimum income** either as a percentage of the **maximum income** or a set sum of money. Once **you** have made your choice, that choice will apply to all of your **post pension date accounts**. **You** can also ask **us** to pay additional one-off payments from time to time as long as **you** keep within the **maximum income**. **We** may not agree to a one-off payment if the amount is too small to be cost-effective for **us** to process or if the number of requests means that **you** should ask for (or increase) your regular income. If **you** have any questions about this please speak to your **financial adviser**.

- 11.12 **You** can increase, decrease, stop and restart your income within an **income year** provided that your income doesn't exceed the **maximum income** and, if **you**'re aged 75 or older, doesn't fall below the **minimum income**. If **you** want to change the level of your income, **you** must tell **us** at least 5 **business days** before the next payment date.
- 11.13 **We**'ll pay your income in monthly instalments unless **you** ask **us** to pay it every 3 months, every 4 months, every 6 months or once a year. The same payment frequency must apply to the regular income paid from all of your **post pension date accounts**.
- 11.14 **You** can choose the day of the month on which **you**'d like **us** to pay your income, excluding the 29<sup>th</sup>, 30<sup>th</sup> and 31<sup>st</sup> days. The regular income from all of your **post pension date accounts** must be paid on the same payment dates.
- 11.15 **We**'ll pay your income from the **SIPP cash account**. Before your holding in the **SIPP cash account** becomes insufficient to allow us to make the required payment, **you** must ensure that your **financial adviser** uses the **wrap platform** to sell any investment as explained in sections 5.15. If your **financial adviser** fails to do so **we**'ll sell investments on the basis described in sections 5.16 and 5.17.

### 'Drip-feed' income drawdown

- 11.16 If your **plan** is fully invested in **Standard Life investment policy funds**, **you** can choose to 'drip-feed' the lump sum **you** receive from your **plan**. This means that, subject to section 11.23, each regular payment from your **plan** before your 75<sup>th</sup> birthday will normally consist of tax-free lump sums and taxable income. If **you** choose this option, sections 11.11 to 11.15 will not apply to **you** before your 75<sup>th</sup> birthday.
- 11.17 If **you** choose drip-feed income drawdown, **you** must tell **us** the amount of income **you** wish to receive after tax. On each date on which **you** want **us** to pay **you** a sum of money (the 'payment date') **we**'ll normally:
- apply a **pension date** to create a new **post pension date account** to provide the tax free lump sum; and
  - use this tax free lump sum together with taxable income from the **post pension date account(s)** created on that payment date and from any existing **post pension date accounts** to pay **you** the amount of income **you** requested.
- Please note that **we** will not be able to pay **you** an income in excess of the **maximum income** set out in the **rules**.
- 11.18 **You** can ask for the taxable income to be the **maximum income** or a percentage of the **maximum income**. **You** can change from one basis to another but the same basis must apply to all of your **post pension date accounts**.
- 11.19 **We**'ll pay your income in monthly instalments unless **you** ask **us** to pay it every 3 months, every 4 months, every 6 months or once a year. **We**'ll pay your income on the same day of the month on which your first **post pension date account** was created for drip-feed income drawdown. (If it was created on the 29<sup>th</sup>, 30<sup>th</sup> or 31<sup>st</sup> day of a month, **we**'ll pay the income on the 28<sup>th</sup> day.) **We** are only able to change the payment frequency or the payment date on the **five-yearly review date** for drip-feed income drawdown.
- 11.20 **You** can require your **financial adviser** to tell **us** which **Standard Life investment policy funds** **we** should sell **units** from to provide each regular payment of income. If your **financial adviser** fails to provide **us** with the requested instructions before **we** need to make the next regular payment, **we**'ll sell **units** proportionately from all **Standard Life investment policy funds** in the **post pension date investment mix**.

- 11.21 If **you** already have **post pension date accounts** under your **plan** when drip-feed income drawdown starts, the income from your existing **post pension date accounts**:
- will be included in the value of the income provided to **you** under the drip-feed income drawdown options explained in section 11.17;
  - must be on the same income basis (**maximum income** or a percentage of the **maximum income**) as applies to drip-feed income drawdown. So for instance, if the taxable income that **you** receive from the drip-feed income drawdown is 75% of the **maximum income**, then any other income that **you** obtain under this section will also have to be set at 75% of the **maximum income**; and
  - must be paid on the same payment dates and with the same frequency that apply to drip-feed income drawdown.
- 11.22 If **you** want to create a **post pension date account** on top of drip-feed income drawdown, the income from that new **account**:
- will be included in the total income **you** receive from drip-feed income drawdown
  - must be on the same income basis as applies to drip-feed income drawdown (**maximum income** or a percentage of the **maximum income**) (see section 11.21 above for an example of the meaning of the 'same income basis'); and
  - must be paid on the same payment dates and with the same frequency that apply to drip-feed income drawdown.
- 11.23 **We**'ll stop applying a **pension date** on future payment dates if:
- you** ask **us** to stop drip-feed income drawdown;
  - you** invest in assets other than **Standard Life investment policy funds**;
  - there are no **pre pension date accounts** left in your **plan** or
  - there is no entitlement to lump sum left in your **plan**.
- But you can continue to take an income from your existing **post pension date accounts** up to the **maximum income** set out in the **rules**.

### Buying an annuity

- 11.24 **You** can ask **us** to use a **post pension date account** to buy an **annuity** at **pension date**, or to use all (or part) of a **post pension date account** to buy an **annuity** after taking income drawdown.
- If **you** want to use your **protected rights** to buy an **annuity**, **you** must use all of your **protected rights** in the **scheme** (less any tax-free lump sum entitlement) to buy a protected rights annuity (which is an **annuity** where the price does not take account of the sex of the purchaser which makes it fit to be purchased with **protected rights**). If **you** want to use your **protected rights** to buy an **annuity**, **you** must first ensure that a **pension date** has been applied to all of your **accounts** under the **scheme** as explained at section 11.5. **You** must then use all of your remaining **protected rights**, once **you** have taken all or part of your tax-free lump sum entitlement (or chosen not to do so), to buy a protected rights annuity.
- 11.25 **We** can buy the **annuity** from **Standard Life** or from any other **insurance company**. **You** can choose any type of **annuity** that is allowed by the **rules**, but if **you**'re married or in a civil partnership, any **annuity** that **you** buy with your **protected rights** must continue at half its rate for the benefit of your husband, wife or civil partner when **you** die.
- 11.26 **You** must tell **us** which assets **we** should sell to provide the **annuity** purchase price. If **you**'re buying an **annuity** from an **unsecured pension fund**, **we**'ll deduct any **lifetime allowance charge** that might apply (please see sections 4.22 and 4.23) from the **annuity** purchase price.
- 11.27 Unless **we** use all of the **post pension date accounts** in an **arrangement** to buy an **annuity**, **we**'ll recalculate the **maximum income** which applies to the **arrangement** on the **annuity** purchase date, after the **annuity** purchase price is deducted. The new **maximum income** will apply to that **arrangement** from the start of its next **income year**. **We** won't do this calculation if the **annuity** purchase date occurs in an **income year** that ends with a **five-yearly review date** as that review will take these changes into account. **We** also won't do this calculation if **you**'re aged 75 or older.

11.28 If **you** intend to use all of the **accounts** under your **plan** (less any amount paid out as a lump sum) to buy an **annuity**, **we**'ll deduct from the **annuity** purchase price any administration charges that would've been due on the next **yearly charge date** before **we** purchase the **annuity**.

#### Serious ill-health lump sum

11.29 If **we** receive evidence from a registered medical practitioner that **you**'re expected to live for less than one year, **you** may have the option of taking the proceeds of your **pre pension date accounts** as a lump sum, less any **lifetime allowance charge**. The lump sum must be paid before your 75<sup>th</sup> birthday and satisfy the conditions set out in the **rules**. For more information on this please contact your **financial adviser**.

#### Pension sharing order

11.30 If **we** use any part of a **post pension date account** in an **arrangement** to provide a transfer value for your ex-spouse or ex-civil partner under a **pension sharing order**, **we**'ll recalculate the **maximum income** which applies to that **arrangement** on the date the transfer value is deducted. The new limit will apply to that **arrangement** from the start of its next **income year**. **We** won't do this calculation if the transfer date occurs in an **income year** that ends with a **five-yearly review date** as that review will take these changes into account. **We** also won't do this calculation if **you**'re aged 75 or older.

## 12. Death benefits from pre pension date accounts

12.1 This section describes the death benefits that are payable from your **pre pension date accounts**. (It only applies if you die before your 75<sup>th</sup> birthday since all **pre pension date accounts** automatically become **post pension date accounts** on your 75<sup>th</sup> birthday.)

After your death **we**'ll normally:

- a) sell all of the assets held for **you** under the **scheme**; and
- b) pay the cash proceeds into the **SIPP cash account**;

before distributing them to your beneficiaries or using them to set up a **dependant's pension account**. But **we** won't do this if the **dependant** who chooses income drawdown is the only beneficiary under your **plan**. In that case **we**'ll only sell assets before income drawdown starts to provide any lump sum payable to that **dependant** under section 12.2 or section 13.2.

#### Lump sum death benefit

12.2 **We**'ll normally pay a lump sum death benefit from your **pre pension date accounts** that represent **ordinary benefits**. **We**'ll decide who should receive a lump sum death benefit, and how much, from the list of beneficiaries described in the **rules**. But **you** can help **us** make this decision by telling **us** in writing who **you**'d like **us** to pay the lump sum death benefit to. This can include the trustees of any trust that **you**'ve set up. Please note that **we** will take your views into account but that **we** are not obliged to follow them.

**We**'ll pay a lump sum death benefit from your **pre-pension date accounts** that represent **protected rights** if **you** are not survived by a husband, wife or civil partner. In that case, **we**'ll pay the **protected rights** as a lump sum in accordance with your instructions or to your estate if **you** haven't given **us** any instructions.

12.3 Any lump sum death benefit paid from your **pre pension date accounts** is tested against your remaining **lifetime allowance**. A tax charge of 55% applies to any lump sum death benefit that exceeds this limit. **We**'re not responsible for doing this test or for deducting the tax, but if a beneficiary is a **dependant** and believes that this tax charge could apply they can, within the timescales set out in the **rules**, ask **us** to use all or part of the lump sum that **we**'d otherwise be paying to them to set up a **dependant's pension account** instead. Where the death benefit is payable as a pension, it's not tested against your remaining **lifetime allowance**.

### Dependant's pension account

12.4 We'll set up a **dependant's pension account** if:

- a) your **pre pension date account** represents **protected rights** and you're survived by your husband, wife or civil partner; or
- b) your **dependant** has asked us to pay them a pension instead of a lump sum death benefit under section 12.3; or
- c) you've instructed us to use some or all of your **pre pension date accounts** to provide a pension to one or more of your **dependants** on your death.

We can't set up a **dependant's pension account** for anyone who's stopped being a **dependant** by the time you die.

12.5 Each **dependant** can ask us to use their **dependant's pension account** to:

- a) pay an income to them from your date of death under sections 15.1 to 15.6; or
- b) provide an annuity payable to them from your date of death under sections 15.7 to 15.11.

12.6 We won't agree to a **dependant** taking income drawdown unless they have

- a) appointed a **financial adviser**; and
- b) agreed to be bound by these **terms**.

Your dependant can transfer their **dependant's pension accounts** in accordance with section 16.5.

We won't offer income drawdown to a **dependent child**.

## 13. Death benefits from post pension date accounts

13.1 This section describes the death benefits that are payable from your **post pension date accounts** if you die before your 75<sup>th</sup> birthday. (If you die on or after your 75<sup>th</sup> birthday, section 14 applies instead.) After your death we'll normally:

- a) sell all of the assets held for you under the **scheme**; and
- b) pay the cash proceeds into the **SIPP cash account**;

before distributing them to your beneficiaries or using them to set up a **dependant's pension account**. But we won't do this if the **dependant** who chooses income drawdown is the only beneficiary under your **plan**. In that case we'll only sell assets before income drawdown starts to provide any lump sum payable to that **dependant** under section 12.2 or section 13.2.

### Lump sum death benefit

13.2 We'll pay out a lump sum (less 35% tax) from any **post pension date account** (or part of such an account) to which section 13.3 doesn't apply.

We'll decide who should receive a lump sum death benefit from your **ordinary benefits**, and how much, from the list of beneficiaries described in the **rules**. But you can help us make this decision by telling us in writing who you'd like us to pay the lump sum death benefit to. This can include the trustees of any trust that you've set up. We'll take your views into account but we are not obliged to follow them.

We'll pay any lump sum death benefit from your **protected rights** in accordance with your instructions or to your estate if you haven't given us any instructions.

### Dependant's pension account

13.3 If you're survived by a husband, wife or civil partner, any post pension date accounts that represent protected rights must be used to set up a dependant's pension account for them.

If you've instructed us to use some or all of your **post pension date accounts** that represent **ordinary benefits** to provide a pension to one or more of your **dependants** on your death, we'll set up a **dependant's pension account** for each person who is to receive a pension unless they've stopped being a **dependant** by the time you die.

- 13.4 Each **dependant** can ask **us** to use their **dependant's pension account** to:
- a) pay a lump sum (less 35% tax) to them (but not in relation to **protected rights**); or
  - b) pay an income to them from your date of death under sections 15.1 to 15.6; or
  - c) provide an **annuity** payable to them from your date of death under sections 15.7 to 15.11.
- A **dependant** will have a separate **dependant's pension account** for each **arrangement** from which they are to receive a pension. They can make a different request for each **account**.
- 13.5 **We** won't agree to a **dependant** taking income drawdown unless they have:
- a) appointed a **financial adviser**; and
  - b) agreed to be bound by these **terms**.
- Your **dependant** can transfer their **dependant's pension accounts** in accordance with section 16.5. **We** won't offer income drawdown to a **dependent child**.

## 14.1 Death benefits on or after your 75<sup>th</sup> birthday

- 14.1 This section describes the death benefits that are payable from your **post pension date accounts** if **you** die on or after your 75<sup>th</sup> birthday before using all of these **accounts** to buy an **annuity**. After your death **we**'ll normally:
- a) sell all of the assets held for **you** under the **scheme**; and
  - b) pay the cash proceeds into the **SIPP cash account** before using them to set up a **dependant's pension account** or distributing them in accordance with section 14.5, but **we** won't do this if the **dependant** who chooses income drawdown is the only beneficiary under your **plan**.
- 14.2 If there are **protected rights** in your **plan** and **you**'re survived by your husband, wife or civil partner, **we** must use your **protected rights** to provide a pension to them. If **you**'re not survived by a husband, wife or civil partner, **we**'ll use your **protected rights** to provide a pension to your nominated **dependant(s)**.
- If there are **ordinary benefits** in your **plan** and **you**'re survived by any of your **dependants**, **we** must provide a pension to one or more of those **dependants**. **We**'ll decide who should receive a pension from your **ordinary benefits**. **We**'ll take your views into account but **we** are not obliged to follow them.

### Dependant's pension account

- 14.3 **We**'ll set up a **dependant's pension account** for each **dependant** who is to receive a pension. Each **dependant** can ask **us** to use their **dependant's pension account** to:
- a) pay an income to them from your date of death under sections 15.1 to 15.6; or
  - b) provide an **annuity** payable to them from your date of death under sections 15.7 to 15.11.
- A **dependant** will have a separate **dependant's pension account** for each **arrangement** from which they are to receive a pension.
- If a **dependant** qualifies as a **dependant** just because they are under 23 and therefore within the definition of **dependent child**, they will stop being eligible to receive income or **annuity** payments when they reach 23.
- 14.4 **We** won't agree to a **dependant** taking income drawdown unless they have:
- a) appointed a **financial adviser**; and
  - b) agreed to be bound by these **terms**.
- Your **dependant** can transfer their **dependant's pension accounts** in accordance with section 16.5. **We** won't normally offer income drawdown to a **dependent child**.

### Lump sum death benefits

- 14.5 If **you** have no **dependants**, **we**'ll pay the cash proceeds (less any charges) to your nominated charity. If **you** haven't nominated a charity, **we** can choose the charity to receive a lump sum from your **ordinary benefits** but **we** don't have the right to choose a charity for your **protected rights**. So if **you** haven't nominated a charity, **we**'ll use your **protected rights** to meet general administration expenses of the **scheme**.

## 15. Dependant's pension accounts

### Income drawdown

15.1 Your **dependant** can tell **us** how they want their **dependant's pension account(s)** to be invested. **We'll** treat all of the **accounts** set up for that **dependant** under sections 12 and 13 or section 14 as being invested proportionately in all of the investments held for that **dependant** under the **scheme**.

If your **dependant** fails to tell **us** how they want their **dependant's pension account(s)** to be invested then:

- a) where your **dependant** was the sole **dependant**, their **dependant's pension account** will continue to hold the same investments that used to be held in your **account**; or
- b) where your **dependant** was one of a number of **dependants**, their **dependant's pension account** will remain in cash until **we** receive their investment instructions.

15.2 Your **dependant** can take an income from each of their **dependant's pension accounts** in each **income year** up to the **maximum income** set out in the **rules**. The maximum is calculated differently for someone who is younger than 75 and someone who is aged 75 or older. There's also a **minimum income** if your **dependant** is aged 75 or older. The first **income year** starts from your date of death. But if your **dependant** starts income drawdown before their 75<sup>th</sup> birthday, the **income year** will re-start from their 75<sup>th</sup> birthday.

If they're under 75 they can ask for their gross income (their income before tax is deducted) to be the **maximum income**, a percentage of the **maximum income** or a set sum of money (including £0). If they're aged 75 or older they can ask for their gross income to be the **minimum income**, the **maximum income**, or somewhere in between the **maximum income** and the **minimum income** either as a percentage of the **maximum income** or a set sum of money.

Once your **dependant** has made their choice, that choice will apply to all of the **accounts** set up for that **dependant** under sections 12 and 13 or section 14. Your **dependants** can also ask **us** to pay additional one-off payments from time to time as long as they keep within the **maximum income**. **We** may not agree to make a one-off payment if the amount is too small to be cost-effective for **us** to process or if the number of requests means that they should ask for (or increase) their regular income.

15.3 Your **dependant** can increase, decrease, stop and start their income within an **income year** provided that their income doesn't exceed the **maximum income** and, if they're aged 75 or older, doesn't fall below the **minimum income**. If they want to change the level of their income, they must tell **us** at least 5 **business days** before the next payment date.

15.4 **We'll** pay their income in monthly instalments unless they ask **us** to pay it every 3 months, every 4 months, every 6 months or once a year. Unless **we** agree otherwise, the same payment frequency must apply to the regular income paid from all of the **dependant's pension accounts** set up for that **dependant** under sections 12 and 13 or section 14.

15.5 Your **dependant** can choose the day of the month on which they'd like **us** to pay their income, excluding the 29<sup>th</sup>, 30<sup>th</sup> and 31<sup>st</sup> days. Unless **we** agree otherwise, the regular income from all the **dependant's pension accounts** set up for that **dependant** under sections 12 and 13 or section 14 must be paid on the same payment dates.

15.6 **We'll** pay your **dependant's** income from the **SIPP cash account**. It's their **financial adviser's** responsibility to ensure that there are sufficient funds available in the **SIPP cash account** to make the required payment. Their **financial adviser** must use the **wrap platform** to sell investments on their behalf, as explained in section 5.16. If their **financial adviser** fails to do so **we'll** sell investments on the basis described in sections 5.17 and 5.18.

If your **dependant** is fully invested in **Standard Life investment policy funds**, their **financial adviser** can tell **us** which funds **we** should cancel **units** from to provide their income. If they don't give **us** any instruction or if the instructions they have given have been completely executed, **we'll** cancel **units** proportionately from all their **Standard Life investment policy funds**.

### Buying an annuity

- 15.7 Your **dependant** can ask **us** to use a **dependant's pension account** to buy an **annuity** payable to them from the date of your death, or ask **us** to use all (or part) of an **account** to buy an **annuity** after taking income drawdown.
- If they want to use the **protected rights** to buy an **annuity**, they must use all of the **protected rights** in all of their **dependant's pension accounts** to buy a protected rights annuity.
- 15.8 **We** can buy the **annuity** from **Standard Life** or from any other **insurance company**. Your **dependant** can choose any type of **annuity** that is allowed by the **rules**. For further information please consult your **financial adviser**.
- 15.9 Your **dependant** must tell **us** which investments **we** should sell to provide the **annuity** purchase price.
- 15.10 If **we** use only part of a **dependant's pension account** to buy an **annuity**, **we'll** calculate the **maximum income** for that **account**, on the **annuity** purchase date, after the **annuity** purchase price is deducted. The new **maximum income** will apply to that **account** from the start of its next income year. **We** won't do this calculation if the **annuity** purchase date occurs in an **income year** that ends with a **five-yearly review date** as that review will take these changes into account, or if the **dependant** is aged 75 or older.
- 15.11 If **we** use all of the **dependant's pension accounts** to buy an **annuity**, **we'll** deduct any administration charges that would've been due on the next **yearly charge date** from the **annuity** purchase price.

### Death of dependant during income drawdown before their 75<sup>th</sup> birthday

- 15.12 If your **dependant** dies before their 75<sup>th</sup> birthday and before using all of their **dependant's pension accounts** to buy an **annuity**, **we'll** sell all of the assets held for that **dependant** under the **scheme** and use the cash proceeds (less any charges) to provide a lump sum (less 35% tax) in accordance with the **rules**.

### Death of dependant during income drawdown on or after their 75<sup>th</sup> birthday

- 15.13 If your **dependant** dies on or after their 75<sup>th</sup> birthday before using all of their **dependant's pension accounts** to buy an **annuity**, sections 15.14 to 15.17 will apply.
- 15.14 If **you** have any other **dependants**, **we'll** use the **dependant's pension accounts** to provide pension **benefits** for the other **dependant(s)** in accordance with sections 14.3 and 14.4.
- But for **protected rights** **we** can only provide pension benefits to your nominated **dependants** since **we** don't have the right to choose who can receive benefits from these rights.
- 15.15 If **you** have no surviving **dependants** but **you** nominated a charity to receive a lump sum on your death, **we'll** sell all of the assets held under the **scheme** for the deceased **dependant** and pay the cash proceeds (less any charges) to your nominated charity.
- 15.16 If **you** have no surviving **dependants** and **you** haven't nominated a charity, but the **dependant** who dies during income drawdown has nominated a charity to receive a lump sum on their death, **we'll** sell all of the assets held under the **scheme** for that **dependant** and pay the cash proceeds (less any charges) to their nominated charity.
- 15.17 If sections 15.14 to 15.16 don't apply, **we'll** sell all of the assets held for that **dependant** under the **scheme** and pay the proceeds of the **ordinary benefits** (less any charges) to a charity of our choice. **We** don't have the right to choose a charity for any **protected rights**, so if no charity has been nominated **we'll** use the protected rights to meet general administration expenses of the **scheme**.

## 16. Transfers to another scheme

16.1 You can ask us to transfer all or part of your **plan** to:

- a) another **registered pension scheme**; or
- b) a **qualifying recognised overseas pension scheme**.

If you ask us to transfer only part of your **plan**, we may not agree to the transfer if, in our reasonable opinion, it wouldn't be cost-effective for us to process the transfer or to administer the part of your **plan** that's left behind. We won't agree to transfer only part of an **account**.

We'll deduct any **transfer charges** that apply (see section 10.45) and, if the transfer is to a **qualifying recognised overseas pension scheme**, any **lifetime allowance charge** that might apply (please see sections 4.22 and 4.23).

16.2 If we transfer any of your **post pension date accounts**, we'll give the administrator of the receiving scheme the following details in respect of each **arrangement**:

- a) the **income year**;
- b) the next **five-yearly review date** (if applicable);
- c) the **maximum income** for the current **income year** (and the next **income year** if we've already calculated this); and
- d) the amount of income you've already received in the current **income year**

All **post pension date accounts** within the same **arrangement** must be transferred together.

16.3 If you ask us to transfer only part of your **plan**, you must tell us which investments we should sell to pay the transfer value or which investments to transfer if section 16.7 applies.

If you ask us to transfer all of your **accounts**, we'll either:

- a) sell all of the investments held for you under the **plan**; or
- b) transfer some of the investments and sell the rest if section 16.7 applies; and

We'll deduct from the transfer value any yearly administration charge (described in section 10.5) that would have been payable on the next **yearly charge date** and any applicable transaction charge (described in sections 10.10 to 10.12).

As explained in section 10.45 we'll apply a **transfer charge** if you are transferring an **account** which is subject to an **additional charge**.

### Transfer date

16.4 If you ask for a transfer under section 16.1, you may suggest the transfer date. We'll meet that date where it is reasonably practical for us to do so. We do however need time to ensure that we comply with the requirements on transfers in the **rules** and we can't provide a transfer value until we've sold the assets that we need to sell in order to effect the transfer.

### Dependant's pension accounts

16.5 Your **dependant** can ask us to transfer any of their **dependant's pension accounts** to:

- a) another **registered pension scheme**; or
- b) a **qualifying recognised overseas pension scheme**.

Your **dependant** must transfer the whole of a **dependant's pension account** less any charges that apply. They may suggest the transfer date. We'll meet that date where it is reasonably practical for us to do so. We do however need time to ensure that we comply with the requirements on transfers in the **rules** and we can't provide a transfer value until we've sold the assets that we need to sell in order to effect the transfer.

16.6 If your **dependant** asks to transfer only some of their **dependant's pension accounts**, they must tell us which of the investments held for them under the **scheme** we should sell to pay the transfer value or which assets to transfer if section 16.7 applies.

If they ask us to transfer all of their **dependant's pension accounts** out of the **scheme**, we'll sell all of the investments held for them under the **plan** or transfer some of the investments and sell the rest if section 16.7 applies. We'll deduct from the transfer value any yearly administration charge (described in section 10.5) that would have been payable on the next **yearly charge date** and any applicable transaction charge (described in sections 10.12 to 10.14).

### In-specie transfer payment

16.7 Instead of **us** selling investments under section 16.3 or 16.6, **you** (or your **dependants**) can ask **us** to transfer the ownership of the investments from the **trustee** to the trustees of the receiving scheme. This does not apply to any **Standard Life investment policy funds** or the **SIPP cash account**.

As explained in section 10.45 **we** will apply a **transfer charge** if **you** are transferring an **account** which is subject to an **additional charge**. **We** will also apply a 'transaction charge' for each asset **we** transfer ownership of (see sections 10.10 to 10.12) and solicitors' charges for each property **we** transfer ownership of (see section 10.59) to the trustees of the receiving scheme.

### Pension sharing order

16.8 If **we** receive a **pension sharing order** in respect of your rights under the **scheme**, **we** must comply with it. If there is insufficient money in your **SIPP cash account** your **financial adviser** will have to use the **wrap platform** to sell investments on your behalf as explained in section 5.16. If your **financial adviser** fails to do, **we'll** sell investments on the basis described in sections 5.17 and 5.18 to provide the transfer value that's required to discharge the order. For some orders **we** will apply a **transfer charge** (see section 10.45). **We'll** pay the transfer value to another **registered pension scheme** or **qualifying recognised overseas pension scheme**.

### Restoration order

16.9 If **we** receive a **restoration order** in respect of your rights under the **scheme**, **we** must comply with it. **We'll** sell investments on the basis described in sections 5.17 to 5.18 to pay the proceeds that **we're** directed to pay under the order. For some investments that **we** sell, **we** will apply a 'transaction charge' (see sections 10.10 to 10.12).

## 17. Personal Data

- 17.1 **We** will collect personal information about **you** such as your name, address and age ("**personal data**") during the application process in order to consider your application for a **wrap SIPP**. **Personal data** will be used by us to set up and administer your **plan**. **We** will therefore act as "data controller" as that term is defined in the **DPA**. If your application is successful, **we** will use your **personal data** to provide our services to **you** and manage our relationship and our business and services with **you**. If your application is submitted but does not proceed, your **personal data** will be held on our records for 6 years before it is deleted, in line with legislative requirements.
- 17.2 **We** will keep **personal data** **you** have supplied confidential, and will not disclose it unless it is lawful for **us** to do so. If **you** transfer your **plan** in accordance with section 16 **we** will keep any **personal data** as long as required by the **FSA** and then delete it.
- 17.3 **We** will give your **financial adviser** access to your **personal data**, including through secure access via the **wrap platform**, to enable them to give **you** advice.
- 17.4 If required for the purposes mentioned in section 17.1 above, **we** may disclose your **personal data** (and sensitive personal data) collected to:
- a) your professional advisers, other companies within the **Standard Life group** (or if necessary, to their respective sub-contractors present or future);
  - b) our third party service providers; and
  - c) where **we** consider if appropriate and lawful to do so, to other organisations.
- 17.5 Your **personal data** and sensitive personal data may be held or disclosed in countries outside the European Economic Area which may not have the same standard of data protection laws. Where this occurs, **we** will take appropriate steps to adequately protect it.
- 17.6 **We** and the other members of the **Standard Life group** would like to contact **you** from time to time to keep **you** up to date with special offers, new products and services, news letters and other promotions. **We** will never pass your details to companies that are not companies within the **Standard Life group** for marketing purposes.

If **you** do not want to be kept informed please write to the Data Protection Co-ordinator at the **platform customer centre**. If **you** would like to request a copy of the **personal data** we hold about **you**, please write to the Data Protection Co-ordinator at the **platform customer centre**. **We** may charge a fee for providing the information.

## 18. Complaints

- 18.1 **We** have an established complaints procedure in relation to the **scheme** which conforms to the **FSA's** complaints procedure requirements. Our complaints procedure is available from the **platform customer centre**
- 18.2 If **you** have a concern or complaint, please call the **platform customer centre** (see the contact details in section 19.7). **We** will discuss your issue with **you** and attempt to resolve it.
- 18.3 If **we** cannot resolve your complaint in this manner please write to **us** stating the nature of the complaint. Please quote any relevant dates and correspondence. Our contact details are in section 19.7.
- 18.4 **We** will record details of your complaint centrally and make sure your complaint is thoroughly investigated by someone who has been trained in complaint handling.
- 18.5 If **we** are unable to deal with a complaint within 5 **business days** **we** will issue **you** with an acknowledgement letter together with a copy of our Internal Complaint Handling Procedures and provide **you** with regular updates.
- 18.6 Within 8 weeks of receiving your complaint **we** will send one of the following two responses:
  - a) a final written response in which either: **we** offer **you** a remedy, whether or not **we** accept your complaint; or **we** reject your complaint and give you our reasons for doing so. This letter will include a copy of the Financial Ombudsman Service's standard explanatory leaflet and inform **you** that if **you** remain dissatisfied with our response, **you** may refer your complaint to the Financial Ombudsman Service within 6 months; or
  - b) an interim written response which will explain why **we** are not in a position to make a final written response, and indicate when **we** expect to be able to provide **you** with one. This letter will also inform **you** that **you** can refer your complaint to the Financial Ombudsman Service and will include a copy of the Financial Ombudsman Service's standard explanatory leaflet.
- 18.7 The Financial Ombudsman Service is an independent service set up by the **UK** parliament to resolve disputes between consumers and businesses providing financial services. This service is free to consumers.
- 18.8 Complaining to the Financial Ombudsman Service will not affect your rights. In general, **you** have 6 months from the date of our final response to refer your complaint to the Financial Ombudsman Service. Further information about the Financial Ombudsman Service may be found at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

## 19. General

- 19.1 These **terms** are governed by the applicable **UK** law which is determined by where **you** live. These **terms** are subject to the **rules** of the **scheme**. **You** and **we** will submit to the exclusive jurisdiction of the courts in the country where **you** live in relation to any claim or dispute arising under these **terms**.
- 19.2 Any payments made by **you** or your employer to your **plan** under section 4 must be paid in sterling. Any payments **we** make to **you**, to your **dependants** or to another scheme under sections 11 to 16 must also be in sterling.
- 19.3 Before making any payments to **you** or your **dependant** under sections 11 to 15, **we**'ll deduct any tax that the **trustee** or **scheme administrator** may be required to pay to the **revenue**.
- 19.4 If **we** find out that the date of birth **you** (or your **dependant**) gave **us** is incorrect, **we**'ll adjust the **benefits** appropriately.
- 19.5 The notices that either **we** or **you** are required to serve on the other under these **terms** must be in writing and can be served, at the discretion of the party serving the notice, either (i) by email or (ii) by first class post to the last notified address of the recipient.
- If a notice is served by first class post, it will be deemed delivered 2 **business days** after being posted. In proving such service it will be enough to prove that the envelope containing the notice was properly addressed, stamped and posted.
- If a notice is served by email, it will be deemed delivered on the day it was sent provided no non-delivery message is received by the sender.
- A copy of all the notices served to **you** regarding your **wrap SIPP** or the **wrap platform** will be sent to your **financial adviser** by email.

### Your right to cancel

- 19.6 **You** will have 30 days from the date on which **you** receive your **important information document** informing **you** that your **wrap SIPP** is opened to change your mind, provided **you** have not requested **us** to invest the monies **you** paid into your **plan**. If **you** change your mind within the 30 day cancellation period and have not requested **us** to invest any monies into your **plan** **we** will return the monies **you** paid into your **plan**. Any initial charges (to pay **initial commission** to your **financial adviser**) which have been deducted will be refunded.
- If **you** have requested **us** to invest the monies **you** paid into your **plan** and **you** change your mind within the 30-day cancellation period, **we** will not be able to return your monies to **you**. **We** will only be able to transfer your monies to another pension scheme as explained in section 16. Any initial charges (to pay **initial commission** to your **financial adviser**) which have been deducted will be refunded. The monies transferred to your new pension scheme in accordance with section 16 could be less than the monies **you** paid into your **plan** depending on the type of investments that **you** asked **us** to buy. If any of the investments that **you** asked **us** to buy had any charges levied by an external investment providers for example, initial charges, exit charges, early redemption charges or charges incurred in carrying out the purchase of the investments at the time the investments were bought, these charges will not be refunded. Your **financial adviser** can confirm whether any of your investments are subject to any of these charges.

#### How to contact us

19.7 **You** can also contact **us** on **0845 279 1001**. Please have your **wrap SIPP** details when calling. Calls may be recorded/monitored to help improve customer service. Call charges may vary.

Alternatively our Head Office address is:

**Platform Customer Centre**

SIPP team, Dundas House

20 Brandon Street

Edinburgh

EH3 5PP

United Kingdom

Email is not a secure method of transferring personal information but if you are happy to send your details this way, please email the **platform customer centre** at [wrap\\_servicing@standardlife.com](mailto:wrap_servicing@standardlife.com). Please note that the **platform customer centre** cannot provide **you** with financial advice.

19.8 **You** will receive yearly statements from **us** showing payments into the **scheme** and the value of your **plan**.

19.9 The Pensions Advisory Service (TPAS) is available to help **you** (and your **dependants**) if **you**'re not satisfied with the way that the **scheme administrator** has dealt with your problems. **You** can contact TPAS at 11 Belgrave Road, London SW1V 1RB.

19.10 The Pensions Ombudsman is appointed under section 145(2) of the Pension Schemes Act 1993. He may investigate and determine any complaint of fact or law in relation to a personal pension scheme (including this **scheme**) made or referred to him in accordance with that Act. **You** can contact him at the Office of the Pensions Ombudsman, 11 Belgrave Road, London, SW1V 1RB.

19.11 **We** have an established complaints procedure in relation to the Standard Life **wrap SIPP** which conforms with the Financial Services Authority's complaints procedure requirements. Our complaints procedure is available from the **wrap platform**.

19.12 The Financial Services Compensation Scheme (FSCS) has been set up to deal with compensation if firms are unable, or likely to be unable, to meet claims against them. For further information:

a) call them on 0845 6060002; or

b) visit [www.fscs.org.uk](http://www.fscs.org.uk)

Please note call charges may vary.

The amount of compensation available from FSCS depends on the type of business and the circumstances of the claim. Please note that **recognised funds** are not covered by the FSCS.

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### Changing or replacing these terms

19.13 We can make reasonable and appropriate changes to these **terms** (or issue a replacement set of terms and conditions in their place) at any time while these **terms** are in force:

- a) if the conditions for tax exemption of the **scheme** change; or
- b) if the legal or regulatory requirements applying to the **scheme**, the **trustee** or the **scheme administrator** change; or
- c) if the legal or regulatory requirements applying to the **wrap account** or any **wrap products** (including the **scheme**), or to **us** change; or
- d) if decisions of the Financial Ombudsman Service needs to be reflected in these **terms**; or
- e) if new industry guidance and codes of practice which are there to raise standards of consumer protection need to be reflected in these **terms**; or
- f) if it becomes impossible or impractical, in our reasonable opinion, to carry out any of the **terms** as a result of a change in the law or regulation or other circumstances beyond our control; or
- g) if the tax treatment applicable to any **wrap product** (including the **scheme**) or of Self Invested Personal Pension Schemes or of Standard Life changes or is due to change in a manner which has or would affect the **wrap SIPP** in any way; or
- h) we have to pay a government levy; or
- i) to allow **us** to respond proportionately to changes in the Bank of England base rate, or to changes in other specified market rates or indices or tax rates; or
- j) to reflect the increase of our reasonably incurred costs associated with providing **you** with the **wrap account** and/or any **wrap product**; or
- k) to reflect improvements to the **wrap platform** that technological, service or propositional enhancements have allowed **us** to make.

19.14 Subject to section 19.15, we'll give **you** 3 months' notice before the change becomes effective and provide **you** with an amended version of these terms by post or by posting them on the **wrap platform**, unless the amendments made to these **terms** are immaterial, in which case we will notify your **financial adviser**.

19.15 Changes to these **terms** that are outside of our control (e.g. a change in legislation) will take effect immediately. All other changes will take effect 3 months from the date of our notification to **you** of the change. Each notification of change we provide **you** with will state on it the reasons for the change and the date the change will become effective.

19.16 Please see section 10 for details of the circumstances where we may amend our charges and the procedures we will follow.

### Force Majeure

19.17 The performance of our obligations under these terms may be interrupted and shall be excused by the occurrence of a force majeure event affecting us or any of our key sub-contractors.

19.18 These **terms** reflect the law at 6 April 2008.

## Annex 1 Glossary

**account** is explained in section 2.2.

**account type** means one of the following types of **post pension date account**:

- ‘drawdown transfer’ which is the type of **post pension date account** described in section 2.9; or
- ‘post 5 April 2006’ which refers to all other **post pension date accounts**.

**additional charge** is the sum of money we take over the **charging period** from an **account** set up to receive a single payment from **you** or a **transfer payment** if **you** ask us to pay **funded initial commission** to your **financial adviser** for that **account**. We express it as a percentage of the value of the **account** to which it applies.

**adviser terms and conditions** means the terms and conditions relating to **financial advisers’** use of the wrap services, and the conditions under which they will be able to provide **Standard Life Savings** with instructions on behalf of their customers, including yourself. We can amend the **adviser terms** and **conditions** from time to time.

**alternatively secured pension fund** means a pension fund from which **you’re** taking income drawdown on or after your 75<sup>th</sup> birthday.

**annual allowance** is explained in section 4.21.

**annuity** is a contract bought from an insurance company that provides a series of guaranteed payments to an individual for a set period that is normally for the lifetime of the individual.

**arrangement** means a sub-division of your **plan** and will normally consist of all your **pre** and **post-pension date accounts** save for the exceptions detailed at section 2.10.

**authorised person** means a person who has access to the **wrap platform** for transactional and information purposes. This will include your **financial adviser** and if applicable, any **discretionary investment manager** appointed by **you**.

**average earnings index** means the whole economy index of average earnings for all employees in Great Britain that is published by the Department for Work and Pensions.

**basic amount** is defined in the **rules**. It’s £3,600 (including basic-rate tax relief) for the 2008/2009 tax year. The **revenue** may increase the basic amount. To find out if they have done so, please check with your **financial adviser**.

**benefit** means:

- any tax free lump sum we pay **you**;
- any income drawdown we pay **you**;
- any **annuity** we buy for **you**.

**business day** means any day except for Saturdays, Sundays, public holidays in the UK. It would also not be a **business day** where the London Stock Exchange or the major clearing banks in the City of London and Edinburgh are not open for business on a non-scheduled basis.

**charging period** means the period notified to **you** during which we’ll collect an additional charge from an **account** because of the funded initial commission we’ve paid on a single or transfer payment to the plan as explained in sections 10.41 to 10.46. The charging period is six years.

**charging schedule** means the schedule of charges, rebates or discounts applicable to the **wrap products** which is contained in the **client terms and conditions for wrap services**. The **charging schedule** is also available from your **financial adviser**.

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**cleared funds** means monies that have been credited to your **wrap cash account** and/or **SIPP cash account** and are available for **you** to spend. According to the method used to transfer money to your **wrap cash account** and/or **SIPP cash account** it will take more or less time for sums transferred to be available for you to spend.

**client terms and conditions for wrap services** means the terms and conditions document issued to **you** by your **financial adviser** when **you** opened your **wrap account**, as amended in accordance with its terms.

**CREST settlement system** means the electronic settlement system for UK securities offering firms and individuals the opportunity to hold investments and transfer them electronically.

dependent is used in these terms in accordance with its definition in the rules. The definition includes your husband, wife or civil partner, a dependant child and anyone who is financially dependent on you. Please check the rules and/or consult your financial adviser if you have any concern that anyone you wish to be considered as a dependant does not fall within the categories above.

**dependent child** means any natural or adopted child of yours who, when **you** die, is under 23 or dependent on **you** because of disability.

**dependent’s pension account** means the part of an **account** that **we** use to provide a pension to a **dependant**.

**discretionary investment manager** means a stockbroker or an investment manager authorised under the **FSMA** who is appointed by **you** and is subject to an investment management agreement with **you** and to our **adviser terms and conditions**. A **discretionary investment manager** must be authorised by the **FSA** and will normally act in conjunction with your **financial adviser**. A **discretionary investment manager** appointed by **you** will decide on your investment strategy and determine assets that should be held, purchased and sold within your **wrap SIPP**.

**DPA** means the Data Protection Act 1998 as amended from time to time.

**earmarking order** is an order by which, in case of a divorce, a member’s **benefits** can be used to pay either maintenance or a capital sum to the member’s ex-spouse. The sum earmarked for the ex-spouse only becomes payable when entitlement arises under the member’s pension scheme.

**external fund manager** means the manager (including Standard Life Investments Limited) of a **mutual fund** in which a **Standard Life investment policy fund** invests or an insurance company (other than Standard Life Assurance Limited) that manages an insured fund which is used by a **Standard Life investment policy fund**.

**financial adviser** means any financial intermediary who:

- is authorised under **FSMA**;
- provides **you** from time to time with financial and investment advice; and
- has signed our **adviser terms and conditions** and is therefore authorised by **us** to use the **wrap platform**.

**five-yearly review date** means the date that falls every five years after the ‘relevant date’, as explained below, until your 75<sup>th</sup> birthday:

- for each **post pension date account** described in section 2.10, the ‘relevant date’ is normally the date set under the **transferring scheme**; and
- for all your other **post pension date accounts** described in sections 2.3 and 2.4, the ‘relevant date’ is the date that your first **post pension date account** is created.

In the case of a **dependant’s pension account**, the **five-yearly review date** is the date that falls every five years after your date of death until your **dependant’s** 75<sup>th</sup> birthday.

**flexible account** is explained in section 2.2.

**force majeure event** literally means ‘superior event’. It is an event that couldn’t be predicted or if predicted its consequences are too drastic to plan for in a contract. In these **terms** it means any of the following:

- act of God, fire, earthquake, storm or flood;
- explosion, nuclear accident or collision;
- sabotage, riot, civil disturbance, insurrection, epidemic, national emergency (whether in fact or law) or act of war (whether declared or not) or terrorism;
- requirement or restriction of or failure to act by any government, semi-governmental or judicial entity (other than a regulatory change);
- unavoidable accident,
- loss of supply of essential services including but not limited to electrical power, telecommunications, air conditioning and essential third party services;
- any ‘denial of service’ or other targeted network attack; and
- any other cause beyond our reasonable control,

as a consequence of which **we** can no longer administer your **wrap SIPP** for a given period.

**FSA** means the Financial Services Authority or any successor regulator which regulates our investment business. The **FSA** can be contacted at 25 The North Colonnade, Canary Wharf, London E14 5HS.

**FSA rules** means the Handbook of Rules and Guidance of the **FSA** or any successor regulator to the **FSA**, as amended from time to time.

**FSMA** means the Financial Services and Markets Act 2000 as amended from time to time and all regulations and orders under it.

**fund based renewal commission** is a payment that you can ask **us** to make to your **financial adviser** at regular intervals for example monthly, quarterly, half yearly and for which **we** deduct a regular charge (as explained in sections 10.47 to 10.50) from your **SIPP cash account**. The payment is a percentage based on the total value of the investments held in your **wrap SIPP** at the time **we** make the payment on your behalf.

**funded initial commission** is a one-off payment which is paid by **us** to your **financial adviser** usually on the day **we** create an **account** for **you** but may also be paid on the day when **you** start to take an income from the **plan** and that **we** recover from your **account** by levying the **additional charge** over the **charging period**. It differs from unfunded **initial commission**. **Funded initial commission** is not available if **you** are 69 or over. **Fund factsheet** means the **Standard Life investment policy fund** and **mutual fund** specific product disclosure document which is produced for each of the Standard Life investment policy funds and mutual funds available to **you** on the **wrap platform**. You can obtain a copy of a fund factsheet by contacting your **financial adviser**.

**important information document** is the document **we** will send to **you** which provides an illustration of what **you** might get back from your investment and details of the charges and rebates that apply to your **wrap SIPP**.

**initial commission** is a way **you** have of paying your **financial adviser** for their initial services. It is a one off payment paid by **us** directly to your **financial adviser** if **you** instruct **us** to do so and for which **we** deduct an initial charge (as explained in sections 10.38 to 10.40) from your **SIPP cash account**. If **you** hold any **Standard Life Investment Policy funds** in your **wrap SIPP** an appropriate proportion of this charge will be cancelled from these **Standard Life investment policy funds**.

**income year** means the period during which **we** can pay an income, up to the **maximum income**

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from a **post pension date account** or a **dependant’s pension account**. Each **arrangement** has its own income year. If **you** haven’t used all of your **post pension date accounts** to buy an **annuity**, we’ll restart the income year from your 75<sup>th</sup> birthday. Likewise, if your **dependant** hasn’t used all of their **dependant’s pension accounts** to buy an **annuity**, we’ll restart the income year from their 75<sup>th</sup> birthday. If **you** transfer in an **alternatively secured pension fund** the **income year** for the **transfer payment** will normally be set by the **transferring scheme**.

**in-specie transfer payment** means a **transfer payment** into the **plan** from another pension scheme (or a **transfer payment** from the **scheme** to another pension scheme) of the actual assets held as opposed to the cash equivalent to the value of these assets.

**insurance company** means an insurance company as described in section 275 of the Finance Act 2004.

**insurer** means Standard Life Assurance Limited. It is the insurer of the Standard Life Investment Policy, which is a master policy issued to the **trustee**. For more information please refer to section 7.

**key features document** is a document that sets out the main aims and features of each **wrap product**. This document will be given to **you** by your **financial adviser** when a **personal illustration** for any **wrap product** is requested.

**lifetime allowance** is explained in section 4.22.

**lifetime allowance charge** is explained in section 4.22.

**manager** means the investment manager of a **mutual fund**.

**maximum income** means the maximum yearly income allowed by the **revenue**:

- if **you** are (or your **dependant** is) under 75, it’s 120% of the income calculated from the Government Actuary’s Department’s tables based on your (or their) age and sex; or
- if **you** are (or your **dependant** is) 75 or older, it’s currently 90% of the income calculated from these tables based on your (or their) sex but always assuming that **you** (or they) are aged 75.

The **maximum income** is recalculated on the **five-yearly review date** and then yearly after your 75<sup>th</sup> birthday. It’s calculated separately for each **arrangement**. The **maximum income** for the **arrangement** described in section 2.10 is also recalculated between **five-yearly review dates** if a new **post pension date account** is created.

If before your 75<sup>th</sup> birthday any **post pension date account** in an **arrangement** is used to buy an **annuity**, or to provide a transfer value under a **pension sharing order**, the **maximum income** for that **arrangement** will be recalculated after the **annuity** purchase price or transfer value is deducted. But the new limit will not apply until the start of the next **income year**. This calculation won’t be made if the **annuity** purchase date or transfer date occurs in an **income year** that ends with a **five-yearly review date** as that review will take these changes into account.

**minimum income** means the minimum yearly income **we** must pay for **you** (or your **dependant**) if **you** are (or they are) 75 or older. It’s set by the **revenue** and is 55% of the income calculated from the Government Actuary’s Department’s tables based on your (or their) sex but always assuming that **you** (or they) are age 75. It’s calculated each year at the same time as the **maximum income**.

**monthly charge date** means the day in each month on which **we** deduct any monthly charges for the commission described at sections 10.37 to 10.51. It is the same day as **we** created your first **account** under the **scheme**. If **we** created your first **account** on the 31<sup>st</sup> day of a month, the **monthly charge date** is the last day of each month. If **we** created it on the 29<sup>th</sup> or 30<sup>th</sup> day of a month, the monthly charge date in February is the last day of February.) In the case of a **dependant’s pension account**, it would be the day of the month on which **you** died.

**mutual fund** means a fund operated by a **manager** which raises money from investors and invests in a group of assets, in accordance with a stated set of objectives. Unit trusts and OEICs are examples of **mutual funds**.

**ordinary benefits** means the part of your **plan** that doesn't represent **protected rights**.

**pension date** is the date on which **we** start, at your request, paying **you** a **benefit** from a part of your **plan**. It is explained in section 2.3.

**pension sharing order** is defined in the **rules** and can apply if **you're** getting divorced.

**personal illustration** means an illustration which reflects the terms of the particular **wrap product** (in this case the **wrap SIPP**) and investments **you** have decided to invest in including the possible return that **you** could expect.

**plan** means the total of all of the **accounts we've** created for **you** under the **scheme**.

platform customer centre is, along with the wrap platform itself, your financial adviser's point of contact with Standard Life Savings. You should contact your financial adviser if you have any questions. However, if for any reason they are unavailable you can contact the platform customer centre. The platform customer centre cannot give advice. Their contact details are in section 19.7.

**post pension date account** is explained in sections 2.3 and 2.4.

**post pension date investment mix** is explained in section 2.8.

**pre pension date account** is explained in section 2.3.

**pre pension date investment mix** is explained in section 2.7.

**pricing point** means the time at which the price of individual units in a **mutual fund** are calculated. **Mutual funds** are generally priced on each **business day**, although some **mutual funds** are priced weekly or at other frequencies. Information on when each **mutual fund** available from the **wrap platform** is priced can be obtained from your **financial adviser** or the **platform customer centre**.

**product confirmation schedule** is a document which is sent to your **financial adviser** after **we** have received an online application for a **wrap SIPP**. The purpose of the **product confirmation schedule** is to provide **you** with an opportunity to confirm that the details on the application are correct. The **product confirmation schedule** also requires that you confirm your agreement to these **terms**.

**prospectus** means the current prospectus or scheme particulars issued by the **manager** of a **mutual fund** and which contains details about that **mutual fund**.

**protected rights** means the part of the **plan** that represents benefits arising from being contracted-out of the State Second Pension or the State Earnings Related Pension Scheme and which have been transferred into the **plan** from another pension scheme or policy. Benefits arising from being contracted out include protected rights, guaranteed minimum pension or section 9(2B) rights.

**qualifying recognised overseas pension scheme** means, as explained in the **rules**, a pension scheme based outside of the **UK** to which a **UK registered pension scheme** is allowed to transfer money or assets without a tax penalty.

**recognised fund** means a **mutual fund** which is not based in the **UK** but is approved by the **FSA** for selling to customers in the **UK**.

**registered pension scheme** is a pension scheme registered by the **revenue**. Examples of the types of schemes that are **registered pension schemes** are personal pension schemes, stakeholder pension schemes, occupational pension schemes, retirement annuity contracts and buy-out policies.

relevant UK earnings are defined in section 189(2) of the Finance Act 2004 and includes the following:

- if **you're** employed, the income that **you** receive from your employer in a tax year. (This is usually your pay or salary from your job but could also include the value of other benefits from your job that are taxable); and

## Self Invested Personal Pension for Wrap (“wrap SIPP”) Terms and Conditions

- if **you**’re self-employed, the income that **you** receive in a tax year from carrying on your trade, profession or vocation (this could include patent income from an invention of yours); and
- from **UK** furnished holiday letting business;
- to the extent that this income is taxable in the **UK**.

**relevant UK individual** means that:

- **you** have relevant **UK** earnings for the **tax year** chargeable to income tax; or
- **you**’re resident in the **UK** at some time during the **tax year**; or
- **you** have (or your husband, wife or civil partner has) general earnings for the **tax year** from overseas Crown employment subject to **UK** tax; or
- **you** were resident in the **UK** both at some time during the five previous **tax years** and when **you** became a member of the **scheme**.

**restoration order** means an order under Bankruptcy (Scotland) Act 1985 or the Insolvency Act 1986 to restore excessive pension contributions to a bankrupt’s estate.

**revenue** means Her Majesty’s Revenue and Customs.

**rules** means the rules of the Standard Life Self Invested Personal Pension Scheme. To get a copy of the trust deed and rules please contact your **financial adviser**.

**scheme** means the Standard Life Self Invested Personal Pension Scheme. It’s registered with the **revenue** under Chapter 2 of Part 4 of the Finance Act 2004. This means that contributions to the scheme qualify for income tax relief and your investments will be free from **UK** capital gains tax. As from 1 October 2008, the **scheme** has been an ‘appropriate’ scheme which means it is able to accept a transfer in of contracted-out benefits.

**scheme administrator** means Standard Life Assurance Limited, or any other company or person or group of individuals that replaces Standard Life Assurance Limited as **scheme administrator**.

SIPP cash account means the bank or building society account that the trustee uses for money movements within the scheme. The account is currently known as the ‘Standard Life SIPP Bank Account’.

**Standard Life group** means Standard Life plc and each of its subsidiaries, subsidiary undertakings and associated companies (whether direct or indirect) from time to time.

**Standard Life investment policy funds** means the pension funds available for **you** to invest in under the Standard Life Investment Policy. **You** can get a list of these **Standard Life investment policy funds** from your **financial adviser**.

**Standard Life Savings** means Standard Life Savings Limited, Standard Life House, 30 Lothian Road, Edinburgh, EH1 2DH. **Standard Life Savings** is a wholly owned subsidiary of Standard Life Assurance Limited. It is authorised and regulated by the **FSA** in the conduct of its investment business. It is on the **FSA** Register with registration number 188796.

**tax year** means the period from 6<sup>th</sup> April in one year to 5<sup>th</sup> April of the next year.

**transfer charge** is the charge that **we** will take if:

- **you** make a **transfer payment** out of the **scheme**; or
- **we** pay a transfer value for your ex-spouse or ex-civil partner under a **pension sharing order**; or
- **you** buy an **annuity** during the **charging period**

out of any of your **accounts** and these **account(s)** are subject to an **additional charge** during the **charging period**. **We**’ll calculate the transfer charge for an **account** by:

- multiplying the yearly rate of the **additional charge** that applies to that **account** by

- the number of **monthly charge dates** from the transfer date up to the end of the **charging period**, and
- dividing this percentage by 12.

We'll deduct the transfer charge from the amount to be transferred.

**transfer payment** means:

- a payment made into your **plan(s)** from another pension scheme; or,
- a transfer from a **plan** of yours into another pension scheme.

(Also see **in-specie transfer payment**.)

**transferring scheme** means a pension scheme (or other pension arrangement or policy) in which **you** are currently a member and from which **you** want to transfer some of all of your benefits.

**trustee** means the trustee of the Standard Life Self Invested Pension Scheme. The current **trustee** is Standard Life Trustee Company Limited whose address is Standard Life House, 30 Lothian Road, Edinburgh EH1 2DH. If Standard Life Trustee Company Limited ceases to be the **trustee** of the **scheme**, ‘**trustee**’ will mean, the other company or person or group of individuals that will replace Standard Life Trustee Company Limited as **trustee** of the **scheme**.

**UK** means the United Kingdom of Great Britain and Northern Ireland excluding the Isle of Man or the Channel Islands.

**units** are fractions of **mutual funds** which are available to investors to buy and sell. **mutual funds** are divided into units specifically for this purpose. The legal structure of some funds means that the term ‘share’ is more legally accurate than ‘unit’. However, for clarity we have used ‘**unit**’ throughout this document.

**unsecured pension fund** means a fund from which **you**’re taking income drawdown (including £0) before your 75<sup>th</sup> birthday.

**we** and **us** means the **scheme administrator**.

**wrap account** means the account which **Standard Life Savings** will open in your name in which your **wrap products** will be held. Your **wrap account** is identified by an individual **wrap account** reference number.

**wrap cash account** means the interest bearing account which **Standard Life Savings** will operate as the main cash account within your **wrap account**. The cash in this account can be used to purchase new **wrap products** and **you** can make payments to and receive payments from your **wrap products**.

**wrap platform** is the online dealing and registration system provided by **Standard Life Savings**.

**wrap product** means each of the **wrap SIPP**, **onshore bond for wrap**, **international portfolio bond for wrap**, **wrap ISA** and **wrap personal portfolio** and any other products developed or to be developed by the **Standard Life group**, for holding within a **wrap account**.

**yearly charge date** is the anniversary of the day **we** created your first **account** under the **plan**. In the case of a **dependant’s pension account**, it’s the anniversary of your death.

**you** means the person who is applying for or has successfully applied for a **wrap SIPP** with **us**.

## Annex 2 Illustrations

Please note that the illustrations contained in this Annex 2 are only included to help you understand a complex calculation or process that has been referred to in these terms. From time to time we have simplified the description used in these illustrative examples, to make them easier to understand.

### Sections 2.6 & 2.7: Illustration of how the pre pension date investment mix is calculated

When we create a new **pre pension date account** for you, you can tell us how you’d like the payment(s) to that account to be invested.

For instance, assuming that you have just started the plan and want to invest £10,000 you can tell us to invest £4,000 in investment A and £6,000 in investment B. At this stage your investment mix in your **pre pension date account** is 60% in investment A and 40% in investment B.

Your **pre pension date investment mix** is calculated by dividing the amount you hold in a particular investment by the total value of your **pre pension date account** and expressing this ratio as a percentage.

So continuing the previous example and assuming that one year after you joined the **scheme** the following has happened:

- your initial investment has increased from £10,000 to £11,000 and the value of your investment in A is £4,600 (41.8%) and the value of your investment in B is £6,400 (58.2%); and
- you want to transfer £15,000 to the plan and invest that sum in investment C, we will create a second **pre pension date account** for you, as explained in section 2.2, and you will have a total of £(11,000 + 15,000 = 26,000) invested via your two **pre pension date accounts**.

Following the creation of your second **pre pension date account**, your **pre pension date investment mix** on that day will be as follows:

- £4,600 out of £26,000 is invested in investment A so investment A represents 17.7% of your **pre pension date investment mix**;
- £6,400 out of £26,000 is invested in investment B so investment B represents 24.6% of your **pre pension date investment mix**; and
- £15,000 out of £26,000 is invested in investment C so investment C represents 57.7% of your **pre pension date investment mix**.

The percentage of the **pre pension date investment mix** that an investment represents will change as the value of the investment changes.

When you have more than one **pre pension date account** we’ll treat all your **pre pension date accounts** as being invested according to the **pre pension date investment mix**.

### Section 7.21: Illustration of how the management charge is calculated on a daily basis

To calculate the management charge that will be deducted on a particular day from a **Standard Life investment policy fund**, the annual rate of the management charge is divided by 365 (or 366 in a leap year) to obtain the daily rate and this rate is multiplied by the value of the fund on that day.

So, assuming that the annual rate of the management charge is 1.0% and that the value of the fund on a particular day is £100,000, the management charge that will be deducted from the fund on that day is £1.37 (i.e.  $1\% / 365 \times 100,000$ ).

As the value of the fund fluctuates every day the amount charged to the fund every day will also fluctuate.

**Section 11.10: Illustration of the process by which investments are moved out of the pre pension date investment mix into the post pension date investment mix in the attached schedule.**

Assume that you have £100,000 in your **pre pension date accounts** and that your **pre pension date investment mix** is as follows:

- 10% in **Standard Life investment policy fund A** worth £10,000;
- 5% in **Standard Life investment policy fund B** worth £5,000;
- 15% in **Standard Life investment policy fund C** worth £15,000;
- 20% in **mutual fund D** worth £20,000;
- 23% in **BP shares** worth £23,000; and
- 27% in **cash** worth £27,000, held in the **SIPP cash account**.

This means that 30% of your investments are in **Standard Life investment policy funds** and 70% are in ‘additional investments’.

If you ask us to use £70,000 to start paying you an income, we will create a **post pension date account** with £70,000 worth of investments. You can then tell us exactly how much of your investment in the **Standard Life investment policy funds** you want us to transfer, so for instance £8,000 of **Standard Life investment policy fund A** and all of your **Standard Life investment policy fund C** which are worth £15,000. This means that you want us to transfer £47,000 from your ‘additional investments’ (mutual fund D, BP shares and cash) which is 67.14% ( $47,000/70,000$ ) of these investments.

We will therefore transfer 67.14% of each of your ‘additional investments’ to your **post pension date account**

- £13,428.00 ( $67.14\% \times £20,000$ ) worth of **mutual fund D**;
- £15,444.20 ( $67.14\% \times £23,000$ ) worth of your **BP shares**; and
- £18,127.80 ( $67.14\% \times £27,000$ ) worth of **cash**.

So the £70,000 held in your post pension date account will be invested as follows:

- £8,000 in **Standard Life investment policy fund A**;
- £15,000 in **Standard Life investment policy fund C**;
- £13,428.00 in **mutual fund D**;
- £15,444.20 in **BP shares**; and
- £18,127.80 in **cash** held in the **SIPP cash account**.

This means that your post pension date investment mix will be:

- 11.43% ( $8,000 / 70,000$ ) in **Standard Life investment policy fund A**;
- 21.43% ( $15,000 / 70,000$ ) in **Standard Life investment policy fund C**;
- 19.18% ( $13,428.00 / 70,000$ ) in **mutual fund D**;
- 22.06% ( $15,444.20 / 70,000$ ) in **BP shares**; and
- 25.90% ( $18,127.80 / 70,000$ ) in **cash**.

The percentage of the **post pension date investment mix** that an investment represents will change as the value of the investment changes.



**Pensions**  
**Mortgage**  
**Savings**  
**Investments**  
**Healthcare**  
**Insurance**

**Speak soon.**

Products provided by subsidiaries of Standard Life plc or other specified providers

Standard Life Assurance Limited\*, registered in Scotland (SC286833), Provider and Scheme Administrator of the Standard Life Self Invested Personal Pension Scheme and Standard Life Trustee Company Limited, registered in Scotland (SC076046), Trustee, both at Standard Life House. Standard Life Investments (Mutual Funds) Limited\*, registered in Scotland (SC123322) at 1 George Street, Edinburgh, EH2 2LL. Standard Life International Limited, provider of the International Portfolio Bond, registered in Ireland (408507) at 90 St Stephen's Green, Dublin 2 (authorised and regulated by the Irish Financial Regulator and regulated by the Financial Services Authority for the conduct of UK business).

\*Authorised and regulated by the Financial Services Authority

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