



The Penfold Pension

Key features document

SLIPP

Introduction

The Financial Conduct Authority is a financial services regulator. It requires us, Gaudi Regulated Services Limited, to give you this important information to help you to decide whether the Penfold Pension is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

Aims of the Penfold Pension

The plan is designed to let you:

- save for retirement in a tax-efficient and flexible way;
- build up a pension fund to give you a tax-free cash sum and income;
- take control of your pension fund investments;
- make transfer payments from other suitable pension arrangements;
- take benefits at retirement in stages, if you want to; and
- specify to whom you would like benefits to go to on your death, although the decision rests with the Scheme trustee.

Your commitments

Once you have commenced a Penfold Pension, your commitments include:

- to pay money in and/or transfer benefits from other suitable pension arrangements;
- keeping those funds within a registered pension scheme, with us or someone else, until you take benefits, the earliest at which will be age 55;
- taking responsibility for how your fund is invested;
- to adhere to the terms & conditions of our SIPP, (please see our SIPP terms & conditions for more details);
- to tell us if you stop being eligible for a SIPP or you are aware that your contributions are not eligible for tax relief (please see our questions & answers section for examples where this could be the case); and
- paying the fees as set out in the Charges Guide which cover our work administering the SIPP on your behalf.

Risk factors

Below are outlined risks associated with saving for retirement through a SIPP. Some of the risks below refer to the investment performance of the funds in your SIPP. Remember that you are responsible for the investment decisions. In many instances, the products you invest in will also have key features documents that outline the specific risks applicable to that investment and you are recommended to read these as well as this document.

Other persons may offer you some of the same options as a SIPP at a lower cost. Please see our questions & answers section for more details on what type of investor the Penfold Pensions is aimed at, together with a comparison of alternative options.

The favourable tax treatment for pension savings could change in the future.

Investment performance or charges may be better or worse than expected which could affect the potential size of your pension fund and therefore the benefits you receive.

The charges or fees you pay to investment managers may be higher than expected which could affect the potential size of your pension fund and therefore the benefits you receive.

Other things that can affect the potential size of your fund and the benefits you receive include the amount you pay or transfer in to the Penfold Pension, which could be lower than you anticipated, or if you take the benefits earlier than you were aiming for.

Investment conditions can also affect your pension income - if you convert your pension fund to an annuity (i.e. purchase a policy from an insurance company that provides you with a regular income) then prevailing interest rates at the time of conversion will affect the amount of annuity you will receive (generally speaking, lower interest rates mean lower annuity amounts, although annuity amounts are also affected by other factors such as life expectancy and your state of health).

Alternatively, if you decide to draw your pension directly from your pension fund in the Penfold Pension then investment returns may not sustain your income requirement.

There may be a delay in receiving benefits if some of your investments cannot be sold quickly.

You have a right to cancel your plan within the first 30 days. Where you have invested during this period and you exercise your right to cancel then the amount returned will be the amount realised less any costs associated with the investment and subsequent dis-investment.

Whilst the Penfold Pension can accept transfers from other pension schemes, not all transfers are suitable. You should seek professional advice before proceeding with a transfer as in some cases you could lose valuable benefits for you and your family particularly where the transfer is from a defined benefit scheme.

Questions and answers: About the Penfold Pension

What is the Penfold Pension?

Our pension is a plan that allows you to save for retirement in a tax-efficient and flexible way.

The benefits you can receive are subject to UK pension's legislation. This includes rules about limits on contributions that can qualify for tax relief, the earliest age you can take benefits and limits on what those benefits can be without incurring tax penalties, including the amount that can be taken as tax-free cash.

Who invests in the Penfold Pension?

The Penfold Pension is used by people who want to:

- save regularly for their retirement;
- make investment decisions about their pension assets themselves;
- withdraw an income while continuing to make investment decisions about the remaining pension assets.

You should consider speaking to a financial adviser about the most suitable pension option for you.

Who will administer my Penfold Pension?

Gaudi Regulated Services Limited will administer your SIPP in accordance with the Trust Deed and Rules. This involves the day to day running of your SIPP, ranging from recording contributions, transfers, investments and paying benefits, to ensuring the SIPP adheres to HMRC rules and regulations.

Is this a stakeholder pension scheme?

No. Stakeholder pension schemes are a specific form of pension that must meet certain Government requirements. Stakeholder schemes are generally available and might meet your needs as well as the scheme on offer.

You should consult your adviser if you are unsure whether a SIPP or some other retirement savings product, such as a stakeholder pension scheme, will best meet your needs.

What are the Trust Deed and Rules?

The Trust Deed and Rules is the legal document that has established the Penfold Pension. This document also appoints trustees and the scheme operator, who is responsible for registering the scheme with HM Revenue & Customs (HMRC) to ensure the favourable tax treatment mentioned earlier is applied to the SIPP. The trustees of the Penfold Pension are Gaudi Trustees Limited and the operator is Gaudi Regulated Services Limited who is authorised and regulated by the Financial Conduct Authority.

Will I have a SIPP bank account?

No. Uninvested cash will be held in a trustee bank account(s). This will be a pooled account so that in the event of a bank's failure your claim will be a share of the cash held in all such accounts held at the bank.

What will my plan be worth?

The final value of your plan will depend on how much is paid in, how long you invest for, the charges paid, and how well the investments perform. Valuations are also available online.

We will send you an annual statement showing how your plan is doing.

How much pension will I get?

Pension payments can come from part or your entire fund. How much you get will depend on the value of your fund, how much of it you use for pension and the investment conditions when you take benefits. Therefore we cannot tell you now how much pension you will receive in the future.

What are the charges?

Penfold charges you a fee which includes the cost of administering your pension. In broad terms, these fees cover such things as setting up your pension, the ongoing administration and regulatory reporting of the pension and for carrying out certain transactions. The fees for administering your pension are detailed in full in the Charges Guide. We aim to make our fees open and transparent so most administration activities that we are likely to carry out on your behalf are detailed in our fee schedule.

Please remember that investment providers may also charge for the purchase, sale and management of assets. These are also shown in the Charges Guide as well as separately

by the investment provider (they may provide a key features document similar to this one).

Our charges are in addition to costs involved in the purchase or sale of assets levied by the investment providers.

If you don't have enough money in the SIPP bank account to cover our charges then we can sell assets from the plan to meet these costs or ask you to pay the charges personally

Paying into the Penfold Pension

What are my payment options?

You can choose from:

- one-off payments made by yourself or a third party other than an employer;
- regular payments made by yourself or a third party other than an employer, which may be either monthly or yearly;
- transfer of pension benefits from other suitable pension arrangements; or
- if you are employed, your employer can also pay into your plan.

You can stop paying, or take payment holidays and restart payments later. Remember though, stopping payments, even temporarily, will reduce the possible value of your fund at retirement.

Are there limits on what I can pay in?

We will only let you make payments up to the limits allowed by HMRC.

All relevant UK individuals can pay, and get tax relief on, contributions up to £3,600 gross each year. Where your earnings are in excess of £3,600 you may make gross contributions of up to 100% of your earnings known as UK relevant earnings subject to a maximum amount known as the annual allowance, which is set each year by the government. The annual allowance applies as a total limit across all of your registered pension schemes in a tax year. It covers:

- your payments;
- employer payments made on your behalf; and
- any increase in the value of retirement benefits you may earn from a defined benefit pension scheme.

Where you were a member of a registered pension scheme but had not fully used your available annual allowance from the previous three years, you may be able to 'carry forward' that unused allowance.

The annual allowance does not include transfers from other pension arrangements. They do not receive extra tax relief, so there is no upper limit on them. The annual allowance does not apply in the year of death or severe ill-health. In addition, where you have not made the maximum contribution in any of the last 3 years you are able to "carry forward" the unused relief for the purposes of making a contribution in the current tax year.

Any payments over the annual allowance will be subject to an annual allowance charge at a rate set by HMRC. The amount of tax charged will be your highest marginal rate of tax determined by your individual circumstances based on your income and the amount by which you have exceeded the annual allowance. In some cases you may be able to make larger contributions in a particular tax year. If you think you may be close to, or exceed, the annual allowance you should talk to your financial adviser as this is a complex area.

Note that where you have started drawing benefits flexibly a lower annual allowance will apply known as the money purchase annual allowance.

Can I claim tax relief on what I pay into my Penfold Pension?

Yes; your contributions can attract tax relief.

All relevant UK individuals can pay up to £3,600 gross per annum (i.e. before tax relief) or 100% of their UK relevant earnings (subject to the annual allowance or money purchase annual allowance where you are drawing benefits flexibly) whichever is the greater. We claim basic rate tax relief from HMRC and invest it in your plan. For example, for a contribution of £10,000 you would pay £8,000 and we would reclaim £2,000 from HMRC. (This example is based on 20% basic rate tax).

Contributions are made net of basic rate tax irrespective of whether you are employed or self-employed. Contributions made by your employer are made gross.

If you are a higher rate taxpayer, you can claim the extra tax relief through your self-assessment tax return on personal contributions.

Unused tax allowances for the previous three tax years may be "carried forward" for the purposes of making a contribution in the current tax year.

Is there any tax relief on employer contributions?

Employer contributions are not taxable as a benefit in kind for you and the employer will normally get tax relief on employer contributions as a business expense.

What if I am affected by 'enhanced protection' or 'fixed protection'?

'Enhanced protection' could affect you if, before 6th April 2006, you had any existing pension plans and they were near to or above the lifetime allowance (see later questions and answers 'Is there a limit on my plan?' for what this means).

Fixed protection similarly protected accumulated arrangements prior to 5th April 2012 and 5th April 2014 and 5th April 2016 when the Lifetime Allowance was reduced.

If this was the case, you may have registered with HMRC for protection against additional tax charges. You could lose this protection if you make contributions into any registered pension scheme, including a Penfold Pension.

If you transfer from an existing registered scheme it is possible that some tax free cash protection will be lost from that scheme.

Fixed protection 2016 can be applied for by individuals who do not have primary and/or enhanced protection. It will generally only be of interest to those individuals whose pension benefits have a value in excess of £1 million or those who anticipate that the value will exceed £1 million by the time they are crystallised. This is a complex area and we would suggest that you seek advice.

You should check these points with your financial adviser before making payments into your SIPP.

Investing in the Penfold Pension

What can I invest in?

Only the investments available via the Penfold website or app are permitted.

What can't I invest in?

Only the investments available via the Penfold website or app are permitted.

Limits

Is there a limit on my plan?

The maximum you can take from all your pension arrangements is called the lifetime allowance (LTA) as set each year by the Government without incurring an additional tax charge. If you exceed the lifetime allowance you will be subject to the lifetime allowance charge and if the excess is taken as pension income the charge is 25% and if taken as a lump sum it will be 55% of the amount above the available lifetime allowance which will be deducted from your fund and paid to HMRC when paying your benefits.

The lifetime allowance has regularly reduced since being introduced and the Government has made it possible for individuals potentially affected by the reduction to apply for transitional protection. If you believe you may be affected please contact your financial adviser for the latest position on this issue, including how it impacts on the 'Enhanced' and 'Primary' protection measures made available after the pension legislation changes which came into force on 6th April 2006.

Every time you take benefits from the plan, some of your LTA is used up. Checks against the LTA are carried out at various points, including:

- in the event of your death;
- whenever you use part of the fund for tax-free cash and start income withdrawal and/or pension purchase;
- at age 75 (if funds are still invested in the plan); and
- when funds from which you have previously been drawing an income are used to purchase a pension, usually in the form of a lifetime annuity.

At each of the above stages, an allowance is made for any tests that have already been carried out.

Tax charges apply to any further benefits once all the LTA is used. The tax charges are set by HMRC.

If you transfer the whole plan, it will come to an end. Any protection you have applied to HMRC for could be lost if you transfer. You should speak to your financial adviser before making a transfer.

Transfers

Can I transfer my plan?

You can transfer part or your entire plan to another registered pension scheme at any time.

How do I decide what to invest in?

You can take your own investment decisions or appoint an adviser.

You can change your choice of investments whenever you like. Please remember that the investment provider may charge you for this. Also remember that it can take some time to buy or sell certain types of investments, e.g. property.

Taking benefits from the Penfold Pension

Benefits summary

Option	From age 55
Pension commencement lump sum (tax-free cash lump sum)	Up to 25% of your fund can be taken as a tax-free lump sum.
Option	From age 55
Use your fund to buy a lifetime or five-year pension income, often referred to as an annuity	An annuity can be purchased, the amount of which will be determined by the value of your pension fund and annuity rates available in the annuity purchase. Generally speaking, annuity rates depend on interest rates, life expectancy and the type of pension benefits you are buying (e.g. an increasing or level pension and whether any guarantees or dependants benefits are included). If you are in poor health or have a lifestyle that could adversely affect your life expectancy (e.g. heavy smoker), then the annuity income could increase.
Draw a pension income directly from your pension fund	You may withdraw an income directly from your fund. Normally 25% of the fund can be paid as tax-free cash lump sum with the balance taxed as income. You can take all or part of your fund in this way. Flexi-access drawdown allows you to access your pension savings and take up to 100% of your fund. The first 25% is usually tax free with any income taxed at your marginal rate. Uncrystallised funds pension lump sum allows you to take one-off lump sums which are 25% tax free with the balance being taxable as income subject to the available lifetime allowance.
A combination of the above to meet your individual requirements	You could take a combination of the benefits described above and you do not have to take benefits all in one go. The way in which you take benefits is flexible and can be structured to meet your individual requirements.

When can I take benefits?

You may take income from your Penfold Pension from age 55. You may also take benefits earlier if you suffer illness or an accident which leaves you permanently unable to carry out your current occupation, and you cease that occupation.

If you are 55 or over the Government has launched a free and impartial service to help you understand what your choices are and how they work, this can be accessed online, over the telephone or face to face - see www.pensionwise.gov.uk.

It is strongly recommended that prior to accessing your pension benefits you seek advice from a suitably qualified financial adviser or obtain guidance from Pension Wise.

On death, different tax treatments apply depending on whether you die before or after 75 - please see the death benefits section below.

Death benefits from the Penfold Pension

What if I die?

The paragraphs below summarise the benefits payable (assuming an annuity has not been purchased).

What benefits can be provided?

All of the fund is available to provide pension benefits to a spouse, civil partner, dependant children or other individuals nominated by you. Pensions can either be paid as an income or the fund can be used to buy an annuity for the individual(s).

Can a lump sum be paid?

Yes - if death occurs before the age of 75 then no tax charge is applied. Once you have reached age 75 then any lump sum death benefits are taxed at your nominees' or beneficiaries' or recipients' marginal rate.

Can I nominate to whom?

Yes, by nominating beneficiaries who you would like the trustees of the Penfold Pension to consider paying benefits to, although the trustees will decide.

How are death benefits claimed?

To claim death benefits, the person dealing with your affairs should contact your adviser, or us directly, at the address shown later in this document. We will confirm the information we need to pay the benefits as quickly as possible.

It may not be possible to convert certain assets, such as property, into cash immediately. This could delay payment of some benefits.

Are lump sum death benefits taxable?

- Death before age 75: lump sum payments and income will generally not be subject to tax.
- Death after age 75: lump sum payments are subject to tax at 45% and any income is subject to tax at the recipients marginal tax rate.

Is my SIPP fund taxable?

Pension funds do not pay UK taxes on income or capital gains. However, tax cannot be reclaimed on UK and some overseas dividends.

The tax treatment of the fund is detailed in the above section entitled "What if I die?". Inheritance tax is not normally payable on any death benefit lump sum although it may arise in the event that payments are made to your estate. You should seek professional advice if this is an area of concern to you as this is a complex area. Pension income paid to you will normally be subject to income tax.

Further information

Can I cancel my plan?

You have a legal right to cancel your Penfold Pension if you change your mind.

If you want to cancel the plan, you should notify us within the 30 day cancellation period. The plan cannot be cancelled once the 30 days have elapsed.

The right to cancel applies to the commencement of the Penfold Pension, on all transfers into the pension and to commencing income withdrawal for the first time.

If you decide to cancel your plan, any contributions will be returned to you less any tax relief claimed on your behalf, which will be returned to HMRC. Where you cancel your plan in respect of a transfer from another pension scheme, the transferring scheme may not agree to accept back your transfer value, or may not take it back on the terms that applied before the transfer, in which case you and your adviser will be responsible for finding an alternative scheme to transfer the funds to.

In the event of cancellation, the net realisable value of any assets purchased and subsequently dis-invested will form the basis of the amount returned. This means that having taken into account any fees or charges paid in relation to the investment and any price movements (particularly downwards), you may get back less than you originally invested.

What if I have a query or complaint?

If you have a query or complaint, please email us at the address shown later in this document. If you have a complaint we will do all we can to resolve it. Details of our complaint handling process are available on request.

If you are not happy with our response and you wish to take the matter further you can refer it, without giving up any other rights you may have, to any of the following:

- Financial Ombudsman Service
Exchange Tower, London, E14 9SR
Telephone number: 0800 023 4567
www.financial-ombudsman.org.uk
- Pensions Ombudsman
11 Belgrave Road, London, SW1V 1RB
Telephone number: 020 7630 2200
www.pensions-ombudsman.org.uk
- The Pensions Advisory Service Limited
11 Belgrave Road, London, SW1V 1RB
Telephone number: 0300 123 1047
www.pensionsadvisoryservice.org.uk

Where can I find more information?

You should speak to your adviser or contact us. Our contact details are provided later in this document.

Can I get an illustration of benefits?

At the start of your plan, an illustration giving details of the potential benefits and costs will be supplied or on request prior to your plan commencing.

Compensation

For bank deposits, the maximum claim that could be made by your SIPP is £85,000 and £50,000 for investments (if an investment firm goes out of business and can't return investments or money).

Further information about the compensation arrangements is available from the Financial Services Compensation Scheme at FSCS.org.uk

Law

The law of England and Wales will be used to decide any dispute.

We have based this information on our understanding of the law and practice as at March 2019. We make every effort to ensure that this information is helpful, accurate and correct but it may change or may not apply to your personal circumstances. Before taking any action you should always consider checking with an appropriate adviser. We cannot accept responsibility for any action taken on the basis of this information alone as you should also read the terms and conditions and the Trust Deed & Rules.

HMRC practice and the laws relating to pension taxation are complex and depend on individual circumstances and changes which cannot be foreseen.

This product is an investment regulated by the Financial Conduct Authority. The Penfold Pension is operated by Gaudi Regulated Services Limited who is authorised and regulated by the Financial Conduct Authority with permission to establish, operate and wind up personal pension schemes.

Terms and conditions

This key features document gives a summary of the Penfold Pension plan. It does not include all the definitions, exclusions, terms and conditions.

The full contractual terms are set out in the Trust Deed & Rules and the terms and conditions. If you would like copies of these, or clarification of any of the information provided in this document, please ask your adviser or contact us at the email address shown later in this document.

We have the right to change some of the terms and conditions. In this circumstance we will write to you to explain the reasons for any such changes.

For more information about the Penfold Pension

The administrator of the Penfold Pension is Gaudi Regulated Services Limited.

The trustees of the Penfold Pension are Gaudi Trustees Limited and the Operator is Gaudi Regulated Services Limited.

The address of the administrator is:

Penfold Pension Administration
2 Oakridge Office Park
Whaddon
Salisbury
SP5 3HT

Email: sipp@gauditd.co.uk

The Penfold Pension is operated and administered by Gaudi Regulated Services Limited who is authorised and regulated by the Financial Conduct Authority. Their FCA Registration Number is 488015.

Penfold[®] is a trading name of Penfold Savings Limited whose registered office is Kemp House, 160 City Road, London, EC1V 2NX and is registered in England & Wales with no. 11668244. Penfold Savings Limited is authorised and regulated by the Financial Conduct Authority (FCA Register No. 826097).