



THE CURTIS BANKS SIPP



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USING THIS BOOKLET

This booklet describes the main features of the Curtis Banks SIPP, so that you can reach an informed decision on whether it is a suitable pension product for you.

This Guide should be read in conjunction with the SIPP Key Features Document. In addition, guidance notes and case studies are available online giving further details.

To set up a Curtis Banks SIPP, you will need to complete a SIPP application form and send it to us. Copies of the form are available online via our website www.curtisbanks.co.uk or can be requested via email at enqs@curtisbanks.co.uk or by contacting our office on (0117) 910 7910.

A SIPP may not be suitable for all circumstances and we suggest that you seek advice from a suitably qualified independent financial adviser. Curtis Banks Ltd cannot give advice as to the suitability of the Curtis Banks SIPP or the investments made within the SIPP.

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INTRODUCING THE CURTIS BANKS SIPP

Curtis Banks Limited specialises in the operation of self-invested pension schemes.

Our key personnel have a strong track record in this field with over 100 years combined experience at board level. We combine extensive technical knowledge with a high level of service.

The Curtis Banks SIPP incorporates all the essential features of a modern SIPP product, at a competitive cost. It will continue to be developed in line with innovations in the marketplace so that it remains one of the best products on the market.



Our SIPP has been independently assessed by Defaqto and awarded their full 5 star rating. Defaqto carry out a thorough analysis of a wide range of features and a very high overall standard is required to achieve the 5 star rating. This is independent confirmation of the strength of our SIPP compared with the rest of the market.

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WHAT IS A SIPP?

Please remember

SIPPs are not suitable for everyone and you should speak to a financial adviser before proceeding, both in choosing a SIPP product and deciding whether to transfer funds from existing pension arrangements.

A SIPP is a type of personal pension plan that is very flexible. It is a tax-free trust fund allowing control of the investments you make, which you can build up to provide benefits for you and for your next of kin. You decide how your SIPP is invested, and a wide choice of investments is available.

First introduced in the early 1990's, the SIPP market has grown rapidly to become one of the most popular choices of product for pension planning. SIPPs are regulated by the Financial Conduct Authority and are a suitable pension product for a wide range of people.

WHY HAVE A SIPP?

Saving for the future can be done in a variety of ways. Pension plans and ISAs have been traditional forms of saving for many years, and investment in property has become popular in recent years as well.

No particular type of saving can promise the best rate of return. Pension plans have the widest range of tax reliefs through:

- Tax relief on contributions paid in;
- Tax free growth on investments, both income and capital gains;
- Up to 25% of the fund tax free when benefits are drawn.

This means that, all other factors being equal, a pension plan will accumulate higher funds to provide benefits. In addition, benefits on death are outside your personal estate and there can be substantial tax savings.

Pensions have become unpopular due to well-publicised shortcomings in the financial services industry, leading many to question whether they are worthwhile. SIPPs allow you to avoid these problems because of the wide choice of investments available, the flexibility and low costs. By taking out a SIPP, you will be involved in deciding where the funds are invested, and will be fully aware of how they are performing and what it is costing.

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WHAT IS A SIPP? (CONTINUED)

WHO IS A SIPP SUITABLE FOR?

Generally you would choose a SIPP for reasons of control, investment choice, flexibility and low costs.

The following issues may decide whether a SIPP is suitable in practice:

- Most SIPPs have fixed costs, meaning that they are not suitable for very small pension funds, typically below £50,000. Most SIPPs will be bigger than this and would avoid the high charges of traditional pension products. You might set up a SIPP with a smaller fund if you wanted to make an investment that could only be done via a SIPP;
- You would choose a SIPP if you wanted to make use of the wide range of investments available, and either make investments yourself or appoint advisers to act for you;
- People with family businesses can use SIPPs to help with the acquiring business premises (online Case Study - Property Purchase)
- SIPPs are more flexible when benefits are drawn than many other pension products and many people switch their pensions into SIPPs as they approach retirement.

A professional adviser can give you advice on whether a SIPP would be suitable for you.

ARE THERE DIFFERENT TYPES OF SIPP?

Generally SIPPs break down into 2 categories: either those classified as 'full SIPPs' or those which are not.

A full SIPP will typically have most or all of the flexibility available to SIPP products, and will have a scale of fixed costs for the various services available. The Curtis Banks SIPP is a full SIPP.

SIPPs which are not full SIPPs offer only a more limited range of services, such as restricted investment choice, and often costs are lower and there may be no fixed costs (but check on the hidden costs!). Some of these SIPPs may be little different to conventional personal plans.

If you want only limited flexibility, then you may not need a full SIPP, but be aware of the potential costs of converting a basic SIPP to a full SIPP at a future date.

A professional adviser can explain the different types of SIPP in more detail and which is most suitable for you.

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PAYING IN TO THE SIPP

Payments to the SIPP will be contributions (from you personally or your employer) and/or transfers from other pension arrangements.

CONTRIBUTIONS

Our SIPP is totally flexible and there is no commitment to make contributions. Once the SIPP is established, they can be paid when it suits you and can be stopped and re-started at any time. Contributions can be one-off amounts or regular payments and there is no minimum amount.

For further information on Contributions see our Guidance Notes.

Personal contributions can be paid up to a limit of 100% of your 'relevant UK earnings' in each tax year. You pay the contribution net of basic rate tax and we reclaim this tax from HMRC. Higher rate taxpayers may be able to reclaim further tax relief up to the higher rate, through their annual tax return.

If you have no earnings you can still contribute up to £3,600 p.a. gross and can continue to do so for up to 5 years after ceasing to be a UK resident.

Contributions can also be paid by your employer. They are eligible for corporation tax relief if HMRC deems the amount to be appropriate for your position in the company. Employer contributions are paid gross into the SIPP.

The total contributions paid to pension schemes for you in each tax year must not exceed a government Annual Allowance, set by HMRC, which is currently £40,000. If you do not contribute your full Annual Allowance, you can carry forward any shortfall for up to 3 years and pay it as a contribution in a later year.

If you have taken benefits from a pension arrangement using the new Pension Freedoms available since April 2015, you will be subject to a lower Money Purchase Annual Allowance (MPAA). You may be subject to a Tapered Annual Allowance if you have earnings (after certain adjustments) of over £150,000 p.a. Your adviser will be able to provide further information.

Contributions are normally paid by cheque or standing order.

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TRANSFERS

For further information on Transfers see our Guidance Notes.

Our SIPP can accept transfer payments from any other registered pension scheme, even schemes where you are already drawing down a pension. The transfer payment is usually a cash payment but can be a transfer of assets from the other pension scheme, known as an 'in specie transfer'.

You can transfer funds out of your SIPP to any other registered pension scheme at any time. Transfers can also be made to and from approved types of overseas pension schemes.

You should be sure that it is in your interests to transfer funds into our SIPP, for example there may be valuable guaranteed benefits in the other scheme which you would not want to give up, or there may be implications in transferring from schemes where you are already drawings benefits. Curtis Banks Ltd does not give advice on whether to transfer and you should obtain advice from a professional adviser before arranging any transfer.

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INVESTMENTS

Payments in to the SIPP will initially be placed in a bank account which will operate on your behalf. This pays a competitive rate of tax free interest; full details on the interest rates can be found on our website: www.curtisbanks.co.uk

Please remember

Although all types of Approved Investments are available, you should be prudent with your investment decisions, and some investments may not be possible if they are considered inappropriate.

Funds can then be moved from the bank account into a wide range of investments. You can choose the investments for your SIPP or you can appoint an investment manager of your choice to manage the money for you. We have a streamlined trading system for 'execution only' trading or terms of business in place with discretionary fund managers, which you or your advisers can access. Please note that Curtis Banks Ltd does not give investment advice and all investment decisions are made by you in conjunction with your advisers.

The SIPP can also buy, sell or lease investments to you, or your family or your employer. This must be at open market rates. Purchases or sales can be 'in specie' i.e. the asset itself is transferred rather than cash being used to purchase it.

The SIPP can borrow funds up to 50% of its net asset value in order to fund any investment. Borrowing must be on normal commercial terms.

There are two types of investments:

- **Approved Investments**, which are those permitted by HMRC without tax charges. These investments allow a tax free return in your SIPP;
- **Unapproved Investments**, which incur heavy tax penalties if a SIPP invests in them.

Our SIPP only invests in Approved Investments, and a wide choice is available.

For further information on Investments see our Guidance Notes.

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INVESTMENTS (CONTINUED)

Approved Investments:

Cash deposits

Shares in companies listed on the main UK Stock Exchange or SIM or OFEX markets, and recognised overseas stock exchanges

Shares in unquoted private companies

Unit trusts, investment trusts, open-ended investment companies ('OEICs') and insurance company managed funds

Government securities and quoted debentures and loan stocks

Building society permanent interest bearing shares ('PIBS')

Offshore funds

Traded futures and options

Hedge funds, exchange traded funds and contracts for difference

UK and overseas commercial property and land (including agricultural land, hotels, nursing homes and public houses)

Real Estate Investment Trusts ('REITs')

Second hand endowment policies

Investment grade gold bullion

Intellectual property

Secured loans to unconnected third parties (including loanstock)

Other types of pooled investment vehicles where the SIPP member cannot influence or use or control the investment (known as 'genuinely diverse commercial vehicles') If properly structured, these can invest in some of the unapproved investments below.

Unapproved Investments:

Residential or holiday property (including residential ground rents)

Tangible moveable property (art, antiques, wine, vintage cars etc.)

Commodities

Loans to connected parties

Property limited liability partnerships

Wasting assets (having an expected lifespan of 50 years or less)

Premium bonds

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BENEFITS FROM THE SIPP

You have full flexibility on drawing benefits. They can be taken from age 55 onwards and you do not need to stop working to draw benefits. You can draw from the SIPP in stages, so that you draw on only part of the fund and leave the remainder untouched for the future.

Please remember

A financial adviser can give you advice on which benefit options are appropriate to your circumstances.

You can take up to 25% of the fund as a tax free lump sum, and the remaining fund provides a pension, which is taxed at normal income tax rates. There are two options for providing the pension:

- Using your fund to purchase an annuity from an insurance company. Different types of annuity are available and they usually provide a fixed guaranteed income;
- Keeping the fund invested in the SIPP and drawing a pension from it (called 'income drawdown')

You should take advice from a professional adviser on whether to choose an annuity or take benefits from the fund itself.

If you elect to take benefits from the fund itself, you have a number of options:

- Income drawdown in the form of Flexi-Access Drawdown;
- A lump sum called Uncrystallised Funds Pension Lump Sum (UFPLS);
- Income drawdown in the form of Capped Drawdown. This is only available if you started taking Capped drawdown before 6 April 2015.

For further information on Benefits see our Guidance Notes.

A government maximum called the Lifetime Allowance applies to the funds when you draw benefits. If your fund exceeds this limit then tax charges apply. You may have registered for protection of your fund against this limit, in which case this protection will apply to any funds transferred to the SIPP from other pension schemes.

You can draw from the SIPP at any time if you are ill and cannot continue working, and the entire fund may be paid out as a lump sum if you have a very short life expectancy.

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BENEFITS ON DEATH

For further information see our Benefits Guidance Notes.

On your death, your fund can be paid out as either a lump sum and/or a dependant's pension.

The lump sum is tax free if you die before age 75, otherwise it is taxed at the recipient's marginal rate. Ordinarily, no Inheritance Tax is payable as it is outside your estate. The lump sum can be paid to a wide range of beneficiaries, including family members, and you can nominate who you would like it to be paid to.

The pension can only be paid to dependants (a spouse or civil partner or someone financially dependent on you), nominees (someone who has been nominated by you as eligible to receive income payments on your death) or their successors. The options for providing the pension are the same as for your own pension.

If you die before age 75, the dependant's pension is not taxable however if you die after age 75, the pension will be taxed at the dependant's marginal rate through the PAYE system.

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10 REASONS TO CHOOSE THE CURTIS BANKS SIPP

Our SIPP is a 'full SIPP', taking advantage of all flexibility and individual control available to self-invested pensions. Not all full SIPPs are the same, though. Our SIPP is designed to achieve high performance in all areas, and 10 reasons for choosing it over other SIPP products are:

WE WILL PROVIDE YOU WITH A HIGH LEVEL OF SERVICE

Your dedicated support team will be available to ensure the smooth operation of your SIPP. They will be your main point of contact for all queries. As a result, you will not be shunted between departments without knowing who to speak to.

Our staff are experienced and knowledgeable and will be able to assist with your queries and carry out work for you effectively. Access to our staff is quick and direct - we do not operate telephone queues or 'service centres'.

WE OPERATE A FEE STRUCTURE UNDER WHICH YOU PAY A FAIR RATE FOR THE ACTUAL WORK CARRIED OUT

Many SIPP operators have high minimum fees, which will be excessive if your SIPP is straightforward - our basic annual fee of £245 p.a. for a simple SIPP is amongst the lowest in the industry for a full SIPP product.

Other SIPP operators have low basic fees but add on significant amounts for additional work. We have a simple scale of additional charges which reflects the extra work needed but keeps the overall level of fees reasonable.

In particular we do not charge for receiving electronic transfer payments or contributions and we do not impose transaction charges, which can quickly result in high costs for products which at first sight seemed inexpensive.

Our fee structure is transparent and simple and enables you to understand clearly the cost of your SIPP. The SIPP Schedule of Fees sets out more details.

ONLINE ACCESS TO CURRENT SIPP VALUATIONS FOR YOU AND YOUR FINANCIAL ADVISER

You will have secure online access to a range of information on your SIPP. This will include a current market valuation of the SIPP assets, updated daily, details of recent bank transactions and basic information from our database.

Other SIPP providers give online access, but the information available is often limited and may not include current financial information.

NO NEED FOR YOU TO BE A TRUSTEE OF THE SIPP

We take care of the administration and carry trustee responsibility whilst you do not lose control of the assets held as a member

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10 REASONS TO CHOOSE THE CURTIS BANKS SIPP (CONTINUED)

WE ALLOW FULL FLEXIBILITY ON CASH DEPOSITS

Our main SIPP bank account pays a competitive rate of interest. In addition, we allow you full flexibility to open other bank accounts to earn higher rates when you want to hold larger sums on deposit. Some SIPP providers only provide the option of the main SIPP bank account.

WE ALLOW A WIDE RANGE OF INVESTMENT CHOICE WITHIN THE HMRC LIMITS

We provide as much flexibility as possible, both in the choice of investments available and the ways in which investments are made. Our Investments Notes set out more details.

You can make investments yourself or appoint advisers to act for you. We record details of all investments on our database and arrange for the values to be updated daily, whenever possible.

Our SIPPs can invest in property and our staff have significant experience in this area and can carry out all the conveyancing work at competitive fees. We allow you to use your own advisers, e.g. solicitor, surveyor etc.

We also allow more unusual investments such as unquoted equities, gold bullion, contracts for difference and hedge funds and have the expertise to deal with these, and to decide when they may be appropriate.

WE ALLOW SIGNIFICANT FLEXIBILITY ON DRAWING BENEFITS FROM THE SIPP

A wide range of benefit options is available, including maximising tax free cash, drawing benefits in stages and income drawdown through Capped Drawdown and Flexi-access Drawdown (see our Benefits Notes for more details). Pensions can be paid at a frequency to suit your requirements.

Some SIPP operators will restrict flexibility in the ways in which benefits can be drawn.

WE HAVE RIGOROUS DUE DILIGENCE PROCEDURES

With increased regulatory scrutiny of pensions and investment, thorough due diligence procedures are essential, to provide you with reassurance that your SIPP and the company operating it will stand the test of time. We apply rigorous due diligence procedures in all aspects of our operations.

WE ARE AN ESTABLISHED PROFITABLE SIPP PROVIDER

We are the second largest provider in the UK, with a strong book of existing clients and sustainable profitability. We have invested heavily in developing our systems and have built up internal capital levels to put ourselves in a strong position for the future.

WE KEEP IT SIMPLE

Pensions can be complex and not always the most interesting subject. SIPPs are simpler to understand than other pension products, but in itself this is not enough.

In our long experience in the pensions industry, our overriding aim has been to 'keep it simple' for our clients and their advisers. We avoid jargon and our aim in all communications is to provide clear information which enables our clients to have all relevant information available, to understand it and to make informed decisions.

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ONLINE ACCESS

A wide range of information on your SIPP is available to you and your advisers, anytime anywhere, by secure online access to our website.

You will be able to view full details of your SIPP online, including:

- Current investment values;
- Fully itemised bank transactions;
- Details of contributions and transfer payments;
- Pension drawdown data if you are drawing benefits;
- Basic data on your SIPP

In addition, your advisers will be able to log in and produce a range of benefit illustrations to assist with their financial planning.

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OUR FEES

The amount of work we carry out will vary according to the complexity of your SIPP, and our approach to fees is that you pay a competitive price for the level of service you require. The fees start at a low annual rate of £245 p.a. and there are simple additional charges if extra work is required, so that you pay a fair fee whatever the level of work carried out.

There is a fee of £200 to set up the SIPP, but we do not charge for basic transactions on the SIPP, such as, standard contributions or investments, as these can quickly lead to costs mounting.

A separate Schedule of Fees is available, giving full details of our charges for setting-up and operating the SIPP, and setting out some examples of what the fees would be in practice.

VAT is added to all fees and the annual fees may be increased annually in line with the Index of Average Weekly Earnings.



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Call charges will vary. We may monitor and record calls.

If you're contacting us by email, please remember not to send any personal, financial or banking information because email is not a secure method of communication.
Curtis Banks Ltd is the operator and administrator of the SIPP, Colston Trustees Limited is trustee of the SIPP.

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