



Carey Pensions UK

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Key Features of the Carey Pension Scheme

The purpose of this document is to provide you with important information about the Carey Pension Scheme. You should read this document in conjunction with the Terms & Conditions, Fee Schedules and Application Form and ensure you understand the contract you are entering into and keep this document safe for future reference. This document sets out the aims of the Carey Pension Scheme; your commitments once we have established your plan/arrangement and outlines certain risks of which you should be aware. [A Questions and Answers section is included to help you.](#) Throughout the document references are included indicating where further information can be found.

Aims of the Carey Pension Scheme

The Carey Pension Scheme is designed to enable you to:

- Save for retirement in a tax-efficient and flexible way;
- Build up a pension fund to give you a tax-free cash lump sum and a taxable pension income;
- Take control of your pension fund investments through wider investment choices than some other types of personal pension arrangements allow. Investment decisions can be made by you or with your adviser;
- Make transfer payments from other suitable pension arrangements. It is possible to transfer contracted-out benefits (representing National Insurance rebates received through 'contracting-out' of part of the state pension scheme) into the Carey Pension Scheme;
- Retain some flexibility over how benefits are taken, subject to her Majesty's Revenue & Customs (HMRC) rules;
- Nominate to whom you wish benefits to go on your death; although the decision rests with the Scheme Trustee.

Your commitments

Once you have established a Scheme with Carey Pensions UK, your commitments include:

- Paying money in and/or transferring in benefits from other suitable pension arrangements.
- Keeping those funds within a pension scheme until you take benefits which is permissible, under normal circumstances, from age 55 onwards.
- Taking responsibility for the management of the investments in your fund. You can manage them yourself or through an investment adviser.
- Adhering to the Terms & Conditions of the Carey Pension Scheme.

[\[See Terms & Conditions for more details.\]](#)

- Telling us if you stop being eligible for a Self Invested Personal Pension, whether Full SIPP or Restricted Investment SIPP.

- Telling us if and when you become aware that any contributions may not be eligible for tax relief

[\[See our Questions & Answers section for more details.\]](#)

- Paying all Carey Pensions fees as detailed on our Fee Schedules.
- Paying all our any and other professional advisory fees that may be incurred on behalf of your Scheme.
- Informing us of any other pension arrangements you have.

Risk factors

Risks associated with saving for retirement through a Self Invested Personal Pension (The Carey Pension Scheme SIPP) are outlined below; some of which refer to the investment performance of the funds in your scheme. Remember that you are responsible for the investment decisions, although you may delegate this to an adviser agreed with us. If the products you invest in also have key features documenting the specific risks applicable to that investment, you are recommended to read those as well as this document

- A personal pension or a stakeholder pension may offer you some of the same options as a Self Invested Personal Pension (SIPP) (The Carey Pension Scheme Full SIPP –FSIPP or Restricted Investment SIPP = RI-SIPP) at a lower cost.

[\[Please see our Questions & Answers section for more details on what type of investor the Carey Pension Scheme Full SIPP and Restricted Investment SIPP is aimed at, together with a comparison of alternative options.\]](#)

- The favourable tax treatment of pension savings could change in the future.
- Investment performance may be better or worse than expected which could affect the potential size of your pension fund and therefore the benefits you receive.



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- The charges or fees you pay to investment managers could change and 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 Carey Pension Scheme (F-SIPP/RI-SIPP) - you may pay in less than you anticipated or 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, prevailing interest rates can affect annuity rates (generally speaking lower interest rates will mean that it costs more to buy an annuity than when interest rates are higher). Alternatively, if you decide to draw income directly from your fund, investment returns may not sustain your income requirement.
- The fees we charge to administer your fund are fixed, rather than being linked to the size of your fund – this means that the fees could become disproportionate to the value of your fund, for example if investment values fall and/or you only pay in small amounts.
- There may be a delay in receiving benefits if some of your investments cannot be sold quickly. For example there could be a delay in selling a property.
- Assuming you have indicated the wish to retain the right to cancel your Carey Pension Scheme (F-SIPP/RI-SIPP), you may do so within the first 30 days. Where you have retained the right to cancel your Carey Pension Scheme (F-SIPP/RI-SIPP), for administrative purposes, any funds you initially contribute will be held in the Scheme SIPP bank account and you will be unable to make any investments until the 30 day cancellation period has lapsed. This means you may miss out on a higher return that could have been achieved.
- Whilst the Carey Pension Scheme SIPP can accept transfers from other pension schemes, not all transfers are suitable. You are recommended to seek professional advice before proceeding with a transfer, as in some cases you could lose valuable benefits for you and your family. These benefits can include, but are not restricted to, certain rights, options or guarantees.
- In some cases there may be a requirement for a Transfer Value Analysis Report (TVAS) to be carried out by a suitably qualified adviser and in these circumstances we will require a copy of the advice for our files to record that advice has been provided. However, Carey Pensions UK LLP is not responsible for and cannot comment on the suitability of that advice. Generally speaking, these reports are required for Occupational Final Salary / Defined Benefit Scheme transfers and if there is any doubt, you should seek independent financial advice as to whether such a report is required.
- If you have already registered with HMRC for enhanced or fixed protection, you could lose this protection if you make payments into any registered pension scheme, including the Carey Pension Scheme (F-SIPP/RI-SIPP).
- If you transfer from an existing registered scheme it is possible that some tax free cash protection may be lost from that scheme.
- If you are already taking benefits from your pension and you transfer to the Carey Pension Scheme, in some circumstances the transfer could trigger a review of the income limits applying to your pension income that could result in a reduction in the amount of pension income able to be paid.

Questions and Answers:

1. What is The Carey Pension Scheme SIPP?

The Carey Pension Scheme is a Registered Pension Scheme, approved by Her Majesty's Revenue & Customs (HMRC) and regulated by the Financial Services Authority (FSA). It is a Personal Pension, called a Self Invested Personal Pension, with two Brands being The Carey Pension Scheme Full SIPP (F-SIPP) and the Carey Pension Scheme Restricted Investment SIPP (RI-SIPP).

The Carey Pension Scheme allows you to save for retirement in a tax efficient and flexible way.

The benefits you can receive are subject to UK pensions legislation, which include rules concerning:

- Limits on contributions that can qualify for income tax relief;
- The earliest age you can take benefits; and
- Limits on the amount of benefits that be paid without tax penalties including the amount that can be taken as pension commencement lump sum.

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2. Who invests in Self Invested Personal Pensions such as the Carey Pension Scheme?

Self Invested Personal Pensions are used by people who want to:

- Make investment decisions about their pension assets;
- Invest in a wide range of assets;
- Withdraw an income whilst, subject to HMRC limits, continuing to make investment decisions about the remaining pension assets;

A Self Invested Personal Pension, is unlikely to be appropriate for those who will not use the flexibility it offers, or who only have a small amount to invest because the administration fees reflect the wider investment options and flexibility that exist.

In general terms, investment of less than £25,000-£50,000 into a Full SIPP won't provide the opportunity to take advantage of the investment flexibility and may mean that the fees being levied would be considered excessive in relation to the size of the fund.

A Restricted Investment SIPP with its investment restrictions and lower fee structure can be considered as an alternative option. You are recommended to take advice from a suitably qualified financial adviser when deciding whether the Carey Pension Scheme as a Self Invested Personal Pension, is the right option for you.

3. Who will administer my Scheme?

Carey Pensions UK LLP will administer your Carey Pension Scheme SIPP in accordance with the Carey Pension Scheme Trust Deed and Rules. This involves the day to day running of your Carey Pension Scheme SIPP, ranging from processing contributions, transfers, investments and paying benefits, to ensuring the Carey Pensions Scheme SIPP adheres to HMRC rules and regulations.

4. Will I have a Scheme bank account?

Each member of the Carey Pension Scheme SIPP will be set up with a dedicated Scheme bank account with Royal Bank of Scotland (RBS) and you cannot choose to change this. It will be through this bank account that payments into and out of the Carey Pension Scheme SIPP will be made. You do not need to keep your money in this bank account and can invest it elsewhere. However, we do require that you maintain a minimum balance on this Scheme bank account and the minimum balance requirement can be found on our fee schedules.

Interest is payable on each separate account at our prevailing rate at the time.

5. What will my Carey Pension Scheme be worth?

The value of your Carey Pension Scheme SIPP will depend on how much is paid in, the charges paid, and how well the investments perform.

We will send you an annual statement. The valuation of certain assets such as property may not be precise. If you need precise figures, we will ask professional experts to value the assets for which they may charge a fee, generally payable from your scheme.

6. How much pension will I get?

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

7. Can I get an illustration of benefits?

An illustration giving details of the potential benefits and costs for the Carey Pension Scheme (F-SIPP/RI-SIPP) can be supplied on request on establishment of your scheme. If you chose to draw pension benefits directly from your scheme, we will automatically supply you with an illustration of these benefits.

On an annual basis, we will send you a statement to help you track the progress of your Carey Pension Scheme.

8. What are the charges?

We charge fees to cover the cost of administering your Carey Pension Scheme (F-SIPP/RI-SIPP). In broad terms, these fees cover such things as setting up your Scheme, the on-going administration and regulatory reporting of the Scheme and for carrying out certain transactions. The fees for administering your Carey Pension Scheme (F-SIPP/RI-SIPP) are detailed in full in our Fees Schedules which can be found on our website www.careypensions.co.uk

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 schedules.

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Occasionally a situation may arise, for example a particularly complicated transfer of pension benefits, where we need to charge additional fees for the work carried out – in such circumstances, we will notify you before carrying out any work and agree with you the basis of charging this additional fee i.e. whether it will be a fixed fee or linked to the time spent on the task. We will also agree with you any limits to the fee incurred and whether the fee is to be paid by you or taken from your Scheme.

Please remember investment providers may also charge for the purchase, sale and management of assets. They will provide details of these separately (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 companies. Examples of extra costs include solicitors' fees, unit trust establishment fees, and the cost of selling assets to provide income withdrawal. If you don't have sufficient money in your scheme bank account to cover our charges, we can either sell assets from the scheme to meet these costs or ask you to pay the charges personally.

9. How and when can I pay money into my Carey Pension Scheme?

You can choose from:

- One-off payments;
- Regular payments – you can choose the frequency of when these are paid;
- Transfer of pension benefits from other suitable pension arrangements. It is possible to transfer Contracted-out benefits (also known as 'Protected') into the Scheme;
- Paying in existing 'non-pension' assets currently held outside of a pension fund, which means that you would not have to cash them in; an example may be a share portfolio, or a commercial property.
- If you are employed, your employer can also pay into your scheme.
- You can stop paying, or take payment holidays and restart payments later, although stopping payments, even temporarily, may reduce the value of your retirement fund.

10. Are there limits on what I can pay in?

Payments can be made to the Carey Pension Scheme SIPP at any age. Any contributions you pay after age 75 do not attract tax relief. We will not generally accept contributions that exceed the Annual Allowance.

Everyone can pay in and receive tax relief on, contributions up to £3,600 gross each year. You can pay in more than this and still receive tax relief, based on the lower of your UK Relevant Earnings and the Annual Allowance (set by HMRC).

[Please refer to the later section on Tax & the Carey Pension Scheme SIPP]

This details how tax relief is granted and the limits applying. The Annual Allowance is £50,000 gross per annum. The Annual Allowance applies as a total limit on personal tax relief across all of your Registered Pension Schemes in a tax year. It covers:

- ◆ Your payments;
- ◆ Employer payments made on your behalf;
- ◆ Any increase in the value of retirement benefits you may earn from a Final Salary/Defined Benefit Arrangement;

Where you were a member of a Registered Pension Scheme, prior to 6th April 2011, but had not fully used your available Annual Allowance of £50,000 from the previous three years you may be able to "Carry Forward" that unused allowance.

The Annual Allowance does not apply in the year of death or where benefits are taken early as a result of "Serious Ill Health".

The Annual Allowance does not include transfers in from other pension arrangements as they have already qualified for tax relief when the contributions were originally invested in a pension scheme.

Any contributions over the Annual Allowance will be taxable at an 'appropriate' rate set by HMRC. The amount of tax charged will be your highest 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 it may be possible to make larger contributions in a particular tax year. As this is a complex area you should talk to your Adviser if you think you may be close to, or exceed the Annual Allowance.

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11. Can I claim tax relief on what I pay into my Carey Pension Scheme?

Contributions can attract tax relief as outlined below:

- If you are not earning, you can pay up to £3,600 gross contributions (i.e. before tax relief) per annum, which means you can pay a net contribution (being the amount after adjustment for basic rate tax relief) up to £2,880. We claim basic tax relief from HMRC and invest it in your Scheme. (This example is based on 20% basic rate tax.)
- If you are employed or self-employed, you pay contributions net of basic rate tax. We claim basic rate tax relief from HMRC and invest it in your scheme.

It should be noted that reclaiming tax relief generally takes between six and ten weeks. Tax relief monies can only be invested once they have been received from HMRC. If you are a higher rate taxpayer, you can claim the extra tax relief through your self-assessment tax return.

12. Is there any tax relief on employer contributions?

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

13. What if I am affected by 'Enhanced Protection'?

Enhanced protection could affect you if, before 6 April 2006, you had any existing pension plans and they were near to or above the Lifetime Allowance (see later Q&A Limits) and you registered with HMRC for protection against additional tax charges. You will lose this protection if you make payments into any registered pension scheme, including a Self Invested Personal Pension, such as the Carey Pension Scheme.

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

You should check these points with your adviser before making payments into your Carey Pension Scheme.

14. What can I invest in with a Carey Pension Scheme Full SIPP?

You, or your advisers if you give them appropriate authority, can choose from a wide range of investments without attracting tax penalties. Certain investments would result in

additional tax penalties, so investment must be within the range agreed by the Carey Pension Scheme Administrator, Carey Pensions UK LLP:

If you choose to retain your right to cancel (see 'Further Information – Can I cancel my Carey Pension Scheme?'), investment will be limited to the Scheme bank account during the 30 day period covered by your right to cancel. Thereafter, or where you waive your right to cancel, investment choices include:

- Bank and Building Society accounts
- UK commercial land or property
- Borrowing
- Insured policies
- Managed funds (including investment trusts, unit trusts and OEICs)
- Quoted and unquoted stocks and shares
- Contracts for difference
- Traded endowment policies
- Hedge funds
- Venture capital trusts
- Futures and options

If there is anything else you would like to invest in, please contact us to ascertain whether this would be permitted.

15. What Can I Invest in with a Carey Pension Scheme Restricted Investment SIPP?

The Restricted Investment SIPP is designed to enable those with smaller pension funds to have some investment flexibility whilst benefiting from lower fees than those that apply to the Full SIPP. You and/or your Adviser can choose from two options:

1. Tailored Option – You can use a combined maximum of two investment managers or investment platforms through which managed funds can be held and administered. These must be allowed by HMRC and acceptable to the Administrator Carey Pensions UK LLP;

Or

2. "Off The Shelf" Option – You can use the services of one of our strategic partners who will manage your investments through an investment platform based on risk model portfolios;

A Risk Model Portfolio is a range of investments that are linked to the level of risk an investor is prepared to take.

The investor's risk is analysed and then the appropriate portfolio model, comprising a range of investments and asset classes is used.



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The portfolio uses standard risk rating parameters and the investments are monitored by the investment manager to ensure they remain within these parameters.

Carey Pensions UK LLP simply provides access to this service through the Carey Pension Scheme and do not provide advice or recommend investment managers. We do not receive any inducement from them.

Certain types of investment such as, but not limited to, commercial land and property, unquoted shares, direct holdings of quoted shares, loans, borrowings, derivatives, hedge funds are not permitted within the Carey Pension Scheme Restricted Investment SIPP.

However, if after having established your Restricted Investment SIPP you decide to invest in a broader range of investments including those not permitted through the Restricted Investment SIPP then, subject to your instruction and agreement to pay the higher *FULL SIPP* fees the Restricted Investment SIPP can be granted Full SIPP status.

You should ask us prior to commencing your Restricted Investment SIPP if you are unsure whether a particular investment can be held within this Brand.

16. What investment would attract tax penalties?

Investments that would attract tax penalties, so not allowed for the Carey Pension Scheme (F-SIPP/RI-SIPP) are:

- Residential property;
- Property such as art, antiques, wine, jewellery, classic cars, racehorses etc. – this is referred to by HMRC as ‘taxable moveable property’ and can be subject to tax charges;

17. How do I decide what to invest in?

You can appoint an adviser or manage the investments yourself. You (or your adviser) must tell us what investments to make. We do not give advice.

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.

18. Is there a limit on my Carey Pension Scheme SIPP?

The maximum total value that all of your pension arrangements can reach without incurring special tax charges is called The Lifetime Allowance (LTA). This is currently set at £1.8 million until 5th April 2012. From 6th April 2012 this will reduce to £1.5 million.

Prior to the reduction of the LTA from £1.8 million to £1.5 million it is possible to apply for protection against the lower amount (called Fixed Protection) by fixing your personal LTA at £1.8 million. However, this does mean that no further contributions or benefit enhancements can be made to your pension arrangements from 6th April 2012 onwards.

You may have to pay tax on the value of the excess over the LTA when you take your benefits. If you already had a pension fund on 5th April 2006 you may have already taken steps to avoid this tax charge by applying for “Enhanced” and/or “Primary” Protection. If you think that either of these measures apply to your pension you should speak with your Adviser especially before you pay money into your Carey Pension Scheme.

Every time you take benefits from your Carey Pension Scheme some of your LTA is used up and checks against the LTA are carried out at various points, including

- Whenever you use part of your fund for pension commencement lump sum and commence drawdown and/or pension or annuity purchase;
- When funds used for drawdown are used for pension and/or annuity purchase;
- At each of the above stages an allowance is made for any tests previously carried out.

Special tax charges apply to any further benefits once the LTA has been used up. The current tax charge is 55% where the excess over the LTA is taken as a lump sum or 25% where the excess is taken as pension (because the pension attracts PAYE).



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19. Can I transfer my Carey Pension Scheme?

You can transfer part of, or your entire Scheme to another Registered Pension Scheme at any time. Any Protected Rights held in the SIPP must be transferred in their entirety. There are also constraints on the type of scheme to which Protected Rights can be transferred. If you transfer the whole of your arrangement/plan, it will come to an end. Any protection for which you have applied to HMRC, could be lost if you transfer. You should speak to your financial adviser before making a transfer. There will be a charge levied for this transaction.

20. Taking pension benefits from the Carey Pension Scheme

Summary

The point at which you take benefits is known as a “Benefit Crystallisation Event” and the table below shows the main options available.

OPTION	FROM AGE 55
Pension Commencement Lump Sum	Up to 25% of your fund or part of your fund can be taken as Pension Commencement Lump Sum.
Use Your Fund To Purchase a lifetime or 5 Year Pension Income (Annuity)	An annuity can be purchased, the amount of which will be determined by the value of your pension fund and interest rates (generally speaking lower interest rates mean lower pension) and the type of pension benefits you are buying (e.g. an increasing or level pension and whether any guarantees or dependents 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, referred to as Drawdown	You may withdraw an income within certain limits. The minimum income is zero meaning you can take pension commencement lump sum and leave the remaining funds invested or you can take up to the maximum capped income that is linked to a rate set by the Government Actuary’s Department (GAD). The current maximum is 100% of the GAD rate.
Minimum Income Requirement	Additional flexibility on the amount of pension drawdown you can take applies once you have achieved a Minimum Income Requirement (MIR) which is currently set at £20,000 per annum. The MIR must be met with secure pensions that include state pension benefits, scheme pension in limited circumstances and lifetime annuities. The MIR does not include drawdown. Once the MIR has been met then any remaining funds within your pension can be used to provide additional income without being subject to the cap of 100% of GAD rate. However, any withdrawals are subject to payment of tax at your highest rate of income tax.
Scheme Pension	You may use some or your entire fund to purchase a Scheme Pension arrangement to provide guaranteed pension income. If you decide on this option a new scheme under its own trust would be established and additional costs would apply.
A Combination of the Above	You could take a combination of the benefits described above and you do not have to take benefits all in one go. The way you in which you take benefits is flexible and can be structured to meet your individual needs. As this is a complex area we recommend you take advice from a suitably qualified financial adviser.
Protected Rights Benefits	Until 2012 some extra rules apply to pension funds comprising protected rights. In broad terms if you wish to buy an annuity with your protected rights fund then where you are married or have a civil partner a 50% pension must be included for your spouse or civil partner. Any annuities purchased must be lifetime annuities. You can take income withdrawal from your protected rights fund however; you must take income from a similar proportion of your non protected rights fund. Purchase of an annuity would also be subject to these proportions meaning that both funds would need to be used.



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21. When can I take benefits?

You may take income from your Carey Pension Scheme SIPP any time from age 55 years. 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.

On death different tax treatments apply depending upon whether you die before or after age 75 years – [please see the section on Death Benefits.]

22. Are pension payments taxable?

A pension or income withdrawal payment is treated as earned income and is taxable through the PAYE system, so we will deduct income tax before payment to you. It is your responsibility to provide us with your current tax coding.

23. How do I commence taking my pension benefits?

You or the person dealing with your affairs should contact your adviser or us at the address later in this document. We will let you know the information we need to pay benefits as quickly as possible. Please remember that you may not be able to convert certain assets, such as property, into cash immediately. This could delay payment of your benefits.

24. Death benefits from the Carey Pension Scheme

Table: Benefits Summary

Please note in relation to the table below, there are additional constraints on the benefits that can be provided from any Protected Rights funds which, in particular, mean that pension income may have to be provided for a surviving spouse or civil partner.

	Funds Not being Used For Income Withdrawal	Fund being Used For Income Withdrawal
Can dependant benefits be provided if the total value of the benefits from all pension arrangements is greater than the LTA described in the 'Limits' section of this document.	Yes – The fund is available to provide benefits to a spouse, civil partner or dependent children or other beneficiaries. The dependant pension can either continue as income withdrawal or the fund can be used to buy an annuity for the dependent (s).	Yes – The entire fund is available to provide dependant pension benefits as income withdrawal, or the fund can be used to buy an annuity for the dependent (s).
Can a Death Benefit Lump Sum Be Paid?	Yes If death occurs prior to age 75 then no tax charge is applied. If death occurs after age 75 then a tax charge is applied to the fund which is currently 55%.	Yes If funds are being used for income withdrawal then any lump sum death payment will be subject to a tax charge which is currently 55%. A lump sum can be paid to a nominated charity without deduction of tax.
Can I nominate to whom a lump sum is paid?	Yes, by completing an expression of wish form that records for the trustees of the Scheme your wish as to whom the lump sum should be paid. The lump sum can be paid to individuals or to trustees of a trust, for example a spousal by-pass trust.	Yes, by completing an expression of wish form that records for the trustees of the Scheme your wish as to whom the lump sum should be paid. The lump sum can be paid to individuals or to trustees of a trust, for example a spousal by-pass trust.

25. How are death benefits claimed?

To claim death benefits, the person dealing with your affairs should contact your adviser, or Carey Pensions direct, 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.

26. Are lump sum death benefits taxable?

As mentioned in the summary table any lump sum death benefit paid before benefits are taken and before age 75 are tax free. Once over age 75 years and/or where benefits are being taken the lump sum would be taxed at 55%.

If you die before you start to draw benefits and/or reach age 75 inheritance tax is not usually payable although the payment would then form part of the beneficiaries' estate.

Inheritance tax may arise on payments to your estate depending upon your personal circumstances (although this may be mitigated by a Spousal By Pass Trust). You should seek professional advice from a suitably qualified pensions and/or tax adviser as this is a complex area.

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27. Is my Carey Pension Scheme Fund taxable?

Pension funds don't generally pay UK tax. Pension is taxed and tax credits deducted from UK dividends and some overseas dividends cannot be reclaimed by the Pension Scheme.

28. Are there any other tax charges?

Any payment which is not allowed by HMRC for tax-relief purposes is called an unauthorised payment. Unauthorised payments include benefits paid in excess of the income withdrawal limits and lump sum payments in excess of 25% of the fund. Unauthorised payments will result in an additional tax charge of at least 40%, more in some circumstances.

Certain investments will also attract unauthorised payment tax charges. These investments are referred to as 'taxable moveable property' – examples include antiques, fine wine and art. Investment in residential property and racehorses will attract similar charges. For this reason, we do not allow these types of investment within the SIPP.

The tax charges payable for investments and unauthorised payments will vary depending upon the reason for the charge however these can be penal and in broad terms are 40% on the member personally, up to 40% on the Scheme plus a further 15% on the scheme if the charge relates to an investment worth more than 25% of the fund value.

29. Can I cancel my Carey Pension Scheme?

You have a right to cancel the Carey Pension Scheme within the first 30 days or you can waive this right to allow the full range of investment choices immediately.

If you want to retain the right to cancel your Carey Pension Scheme, you should notify us when returning your completed application form. There is a section for this on the Application Form. You will then have the right to cancel the Scheme at anytime within the 30 day cancellation period. The Carey Pension Scheme cannot be cancelled once the 30 days have elapsed.

Where you have retained the right to cancel your Scheme, your contributions or transfer payment will be held within the Scheme bank account until the 30 day cancellation period has expired. This means you will not be able to make any investments until the cancellation period has expired. You can instruct us to move the funds into other permitted investments, but we will not do this until the end of the 30 day period.

If you decide to cancel your Carey Pension Scheme, any contributions will be returned to you and any tax relief claimed on your behalf will be returned to HMRC. Where you cancel your Scheme in respect of a transfer from another pension scheme, the transferring scheme may not agree to take 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 registered pension scheme for the transfer.

In the event of cancellation, the establishment fee for the Carey Pension Scheme, whether F-SIPP or RI-SIPP will be retained by us to cover the administration costs incurred.

A separate right to cancel, which cannot be waived, applies to any transfers in made from other pension arrangements.

30. Where can I find more information?

The Carey Pension Scheme Terms & Conditions, available on our website, provide more information. You can ask your Adviser for a copy or contact us – our contact details are provided under "Contacting Carey Pensions UK". You can also visit our Website www.careypensions.co.uk

31. Data Protection

Carey Pensions UK LLP and Carey Pension Trustees UK Ltd both act in accordance with the Data Protection Act and The Carey Pension Scheme is covered by the Data Protection Act under which you have right to access certain of your personal records. If you wish to exercise this right please write to Carey Pensions at the address shown later in this document. There may be charges for the provision of information.

32. Who are Carey Pensions UK LLP?

Carey Pensions UK LLP is authorised and regulated by the Financial Services Authority under FSA Registration Number is 501747. You can check this on the FSA's website at www.fsa.gov.uk/register

Carey Pensions UK LLP is part of Carey Group. Carey Group is an independently owned off-shore financial services company providing administration and trustee service for off-shore funds/trusts/pensions such as QROPs/QNUPs and international pension plans.

Carey Group shareholders are the partners of one of the largest international law firms in the Channel Islands — Carey Olsen.

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33. What if I have a query or complaint?

If you have a query or complaint, please write to or email us at the address shown later in this document. If you have a complaint we will do all we can to resolve it with you. 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:

Pension Ombudsman

An independent organisation that adjudicates between you and us, where you have a complaint about maladministration on our part.

- Pensions Ombudsman, 11 Belgrave Road, London, SW1V 1RB; Telephone number: 020 7834 9144; www.pensions-ombudsman.org.uk

- The Pensions Advisory Service Limited, 11 Belgrave Road, London, SW1V 1RB; Telephone number: 0845 601 2923; www.pensionsadvisoryservice.org.uk

The Financial Ombudsman Service

An independent organisation that provides clients with a free service for resolving complaints with financial firms.

- Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR; Telephone number: 0845 080 1800; www.financial-ombudsman.org.uk

34. 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 June 2011. 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 check with an appropriate adviser. We cannot accept responsibility for any action taken on the basis of this information alone and you should also read the Terms and Conditions and the Trust Deed & Rules.

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

This product is regulated by the Financial Services Authority. The Carey Pension Scheme (F-SIPP and RI-SIPP) is administered by Carey Pensions UK LLP who is authorised and

regulated by the Financial Services Authority with permission to establish, operate and wind up personal pension schemes.

35. Compensation

The Financial Services Compensation Scheme (FSCS) established by the Financial Services Authority (FSA) may provide protection if we cannot meet claims made against us or because we cannot return investments or money.

FSCS compensation limits for eligible investments are up to £50,000 and for bank deposits up to £85,000.

Further information regarding compensation arrangements is available from the Financial Services Compensation Scheme (FSCS) website at www.fscs.org.uk

Self Invested Personal Pensions which includes both of our Brands, Full SIPP and Restricted Investment SIPP are regulated contracts in their own right and are covered by FSCS.

Investments with regulated investment providers or insurance companies are covered separately by FSCS and these companies will provide information about the levels of cover provided.

Investments provided by non regulated investment providers will not be covered by FSCS.

You should take advice from your Adviser(s) as to whether the investments you wish to invest in are covered by FSCS.

Your status under the FSCS does not affect any statutory right you may have to compensation.

36. Terms and Conditions

This Key Features document provides a summary of the Carey Pension Scheme, Full Self Invested Personal Pension and Restricted Investment Self Invested Personal Pension. 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 Financial Adviser or contact Carey Pensions at the address shown later in this document.

We have the right to change some of the Terms and Conditions, as described in the Terms and Conditions. If we do make any changes which affect your Scheme, we will write to you to give you as much advance notice as possible and explain the reasons for any such changes.

Carey Pensions UK

Specialist pensions for specialist people

37. Contacting Carey Pensions UK

Both the Administrator and Trustee can be contacted at:

43 Shenley Pavilions
Chalkdell Drive
Shenley Wood
Milton Keynes
MK5 6LB
Telephone: +44 01908 336010
Fax: +44 01908 506169

Website: www.careypensions.co.uk

Email: enquiries@careypensions.co.uk

38. Language

All information and communications from us will be in English. Please contact us if you need this document in larger print .