

## M&G Wealth Platform

# Key Features of the Pension Account

## Self Invested Personal Pension (SIPP)

The Financial Conduct Authority is a financial services regulator. It requires us, Investment Funds Direct Limited (IFDL) to give you this important information to help you to decide whether the M&G Wealth Pension Account is right for you. You should read it carefully so that you understand what you are buying, and then keep it safe to refer to in the future.

If we make any changes we will update this document and make it available on the Platform. Your rights as the investor on the Platform are set out in the Terms, which may be subject to change in the future.

Please read this together with the:

 [M&G Wealth Platform Guide](#)

 [M&G Wealth Platform Terms](#)

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## Jargon buster

For a list of terms and definitions visit  
[mandgwealth.com/platform/jargon-buster](https://mandgwealth.com/platform/jargon-buster)



# 1 About the M&G Wealth Pension Account

## Self Invested Personal Pension (SIPP)

### Its aims

The M&G Wealth Pension Account (SIPP) allows you to make tax efficient investments with the aim of saving for your retirement. You can make contributions, and transfer pensions from other UK registered pension schemes, into the SIPP.

To allow you, with advice from your Financial Adviser, to select and purchase Investments for your SIPP. And, after you reach the normal minimum pension age it allows you to obtain access to your retirement savings.

### Your commitment

- To make contributions to your SIPP and, or transfers to it from existing pension schemes
- To notify us immediately of any changes in your personal circumstances that may affect your SIPP membership. This includes your eligibility to continue to receive tax relief on contributions
- To pay SIPP charges when they are due; and
- To read all of the investment information given to you by your Financial Adviser

### Cash risks

It is important to ensure that there is always enough cash in your Account(s) to pay charges or make any payments which are due. If there is not enough cash available to make these payments, we will sell Assets without further notification, from the largest holding downwards, to provide the cash required. This may happen at a disadvantageous time and may have a material effect on the balance of Assets within a Model Portfolio.

### Investment related risks

The risks in your SIPP will depend on the investments you have chosen. Past performance is not a guide to future performance. You should consider your investments as medium to long term, for example, five years or longer.

The value of investments and the income generated from them can fall as well as rise and you may not get back what you originally contributed or transferred into your SIPP.

### Capital and longevity risks for accessing your Pension savings

Accessing your savings and purchasing an Annuity will provide a guaranteed retirement income. Whereas accessing savings by drawing Income from the SIPP may not provide a guaranteed income as it relies on the performance & returns of your investments.

Withdrawing income from your SIPP can erode the value of your capital, especially where investment performance is poor and the level of income withdrawn is high. For example, if the value of your capital is eroded by your income you will have less to provide for dependants, or to buy an annuity in the future.

The value of your investments will be reduced by the effect of charges including our Platform Charges and those of your Financial Adviser, Fund managers and Discretionary Fund Managers (DFM).

If you choose to buy an annuity, the rates available in the market can change substantially over short periods of time, both up and down. For example, they could be worse when you buy an annuity than they are now, so your income could be higher or lower, depending on when you buy an annuity.

If you wait longer before buying an annuity, there may be a risk of 'mortality drag' on your income due to a loss of cross-subsidy from pensioners that die earlier. Your Financial Adviser can explain this to you.

### Tax risks

If you die under the age of 75, HM Revenue & Customs (HMRC) rules require that any lump sum death benefit is paid within two years of the date we are notified of the death, otherwise the lump sum will be taxed at the beneficiary's marginal rate. This is a particular risk if you hold investments that take time to sell, such as collective investment funds that invest in property.

The amount you take from your pension fund could affect any state benefits that you are entitled to. If the Department for Work and Pensions, or your local council, decide that you have deliberately spent or given away your pension pot to receive or increase benefits, they may have to re-assess your eligibility and treat you as if you still have the money.

Income you take from your SIPP is normally taxed at your marginal rate and may affect the level of tax you pay on any other taxable earnings such as State Pension payments, benefits, salary, and annuity or investment income.

Tax treatment depends upon your individual circumstances and the rules may change in the future.

## 2 Questions and Answers

### → What is the M&G Wealth Pension Account?

The M&G Wealth Pension Account is a registered pension scheme known as a Self-Invested Personal Pension (SIPP), which allows you to make your own investment decisions, in conjunction with your Financial Adviser. Like all registered pension schemes a SIPP provides you with a means of saving for your retirement. It is a long-term investment designed to provide you with a lump sum and/or income in retirement.

This SIPP has been set up under trust and accepted as a registered pension scheme by HMRC. Investment Funds Direct Limited (IFDL) is the scheme administrator of this SIPP. IFDL Personal Pensions Limited is appointed as the trustee for the scheme. It owns the cash and investments within your SIPP, holding them for your benefit under the Scheme Rules. The trustee appoints us to have custody of your cash and Assets.

You can make regular contributions into your SIPP each month or year and may make single contributions whenever you wish. Others, for example your employer, may pay into your SIPP on your behalf.

You may also be able to transfer funds from another registered pension scheme into your SIPP.

### → Who can have one?

Anyone who is aged 18 or over, and who is not a US Person or EEA Resident can open a SIPP. If you wish to pay into a SIPP you must be a relevant UK individual, which means that you are resident in the UK for tax purposes or you have relevant UK earnings.

A SIPP cannot be opened jointly with, or on behalf of, anyone else.

### → Is this SIPP a stakeholder pension scheme?

No, this SIPP is not a stakeholder pension scheme; however, stakeholder pension schemes are generally available and may meet your needs for pension savings.

### → How can I open a SIPP?

You can apply to open a SIPP by completing an Application through your Financial Adviser.

If we accept your Application, we will open the SIPP once the money has cleared into your Account, or transfers have been made into your SIPP from other registered pensions scheme(s).

### → How much can I pay in?

You, or another individual on your behalf, may make contributions to your SIPP. HMRC sets a limit on the contributions made in a year, which will qualify for tax relief. This is known as the Annual Allowance and limits the amount of tax relief available on pension savings.

If the total amount of contributions, to all pension schemes, made by you, or for you, exceeds the Annual Allowance, then tax relief will not be available for the excess contributions and there will be a tax charge payable on them.

We will not normally accept contributions which do not qualify for tax relief.

You can also make use of any unused Annual Allowance from previous tax years, once your Annual Allowance has been used up for the current tax year. Speak to your Financial Adviser if you think that this applies you. You will need to have sufficient relevant UK earnings to make any additional contributions above the Annual Allowance.

Your Financial Adviser can tell you the current level of the Annual Allowance and you can find it on [www.gov.uk](http://www.gov.uk).

There is no minimum contribution amount for single lump sum contributions. You may stop and start your contributions at any time without penalty.

Up to age 75, you can make additional contributions, provided you do not exceed the HMRC limits, at any time into your SIPP by cheque or an electronic payment. We do not charge you for making additional deposits.

### → Will all contributions receive tax relief?

Under HMRC rules, you can currently receive tax relief at your marginal rate for contributions made by you, or on your behalf, up to the higher of 100% of your relevant UK earnings up to the level of the Annual Allowance in a year or £3,600, before tax.

You will not receive tax relief on any contributions made by your employer.

There are some circumstances where your Annual Allowance may be lower. For more information ask your Financial Adviser, or see section 25 of the Terms.

Any contributions over the Annual Allowance will be subject to a tax charge and you will need to notify your local inspector of taxes through your self-assessment tax return if your contributions have exceeded the Annual Allowance. If it is possible for us to return any excess contributions to you, any excess tax relief already received from HMRC will be returned.

### → How do I transfer Investments from my existing pension plan to this SIPP?

You tell us that you wish to do this and we will deal with the scheme(s) from which you wish to transfer. You may transfer in cash or ask for investments to be transferred from your pension without the need for the investments to be sold. This is known as re-registration.

If you wish to transfer investments into your SIPP we will assess them for a variety of factors including whether the investments are permitted by HMRC. We will tell you if we are unable to accept an investment and request further instruction from you on how the transfer may proceed.

### → What investments are available?

Your SIPP may be invested in a wide choice of investments. Your Financial Adviser will let you know what is available to you.

There are risks associated with particular types of investments and these will be described in the information provided by the investment provider. Your Financial Adviser is responsible for ensuring that you understand the risks of investing, in general and any particular risks of the investments you are considering.

It is very important that you read the information provided to you about the investments you are considering before you decide to invest.

### → Can I switch my investment from one Fund to another?

Yes. This will be treated as a 'sell' and a 'buy' transaction. This means that your money will not be invested while the receipts of the 'sell' instruction are confirmed and before the 'buy' instruction can be made. This process may take a number of days to complete.

### → Can I split my SIPP Accounts?

It depends on the account type. If required, SIPP Accumulation accounts can be split into multiple accounts to enable different investment strategies, for example, to use two Model Portfolios. It is not possible to split SIPP Decumulation accounts.

### → What is the tax position for my SIPP?

If you are a UK resident for tax purposes you will be able to claim tax relief on personal contributions up to £3,600 pa or 100% of your relevant UK earnings, whichever is the higher and subject to the Annual Allowance.

We will credit your SIPP with basic rate tax relief which we reclaim from HMRC.

If you are liable to higher rate tax on your income, you should reclaim the higher rate relief via your self-assessment tax return. If you are classed as a Scottish resident or a Welsh resident by HMRC the tax relief that will be applied to your SIPP will be set by the Parliament applicable to your residency.

Contributions made in excess of the Annual Allowance will be subject to a tax charge which HMRC will levy against you directly.

The Investments in your SIPP usually grow free of UK capital gains and income tax. Where any income tax has been deducted, we reclaim this from HMRC and pay it back to your SIPP. Any income withdrawals and annuity income will be taxed under the PAYE system.

Death benefits from a SIPP are normally paid free of Inheritance Tax. Tax charges may be payable if the member dies age 75 or over. The amount of tax payable will depend upon how your beneficiaries choose to take the death benefit.

If at any time you receive benefits which are not in accordance with current pension rules, these will be regarded by HMRC as unauthorised payments and may be subject to an unauthorised payments charge.

These tax advantages and any rates quoted are based on our current understanding of UK legislation and may change in the future. Tax treatment depends upon your individual circumstances and the rules may change in the future.

### → What could I get back?

You will get the value of your Investment held in the SIPP at the time the Investments are sold. There is no guaranteed amount. The amount you get will depend on the following factors:

- How much you invest;
- The performance of your Investments;
- Any Charges;
- Any income or withdrawals you have taken; and
- The terms of your Investment.

### → What are the Charges?

The [Charges Document](#) will give you more details about our charges.

Your Financial Adviser will advise you regarding the charges which will apply to your SIPP, and you may agree that the costs associated with this advice are paid from your SIPP.

Fund managers and DFMs will apply charges to your chosen SIPP Investments and will be able to provide you with more details about these charges.

### → How do charges affect my Investment?

The impact of charges on your Investment depends on a number of factors including the assets selected and the level of Financial Adviser charge. This will be shown on the illustration from your Financial Adviser.

### → How do I take the money from my pension?

You have the freedom to decide how you use your pension fund(s) once you reach the minimum age set by HMRC. There are a number of pension benefit options open to you to make the most of your money. You do not need to have retired to take a lump sum or income from your SIPP.

If you are suffering ill health or your transfer is subject to certain transitional legislation, you may be able to take retirement benefits at an earlier date.

To help you make your decisions you can use Pension Wise, a government service from MoneyHelper which offers free, impartial pensions guidance. Visit [moneyhelper.org.uk/pensionwise](https://moneyhelper.org.uk/pensionwise) to find out more, or you can call them on 0800 138 3944.



Pension Wise offers guidance, not advice, about your retirement options. If you would like advice regarding your options, you should speak with your Financial Adviser.

If you wish to take pension benefits from your SIPP, we will ask you to confirm you have received advice from your Financial Adviser.

## → What type of benefits can I take from my SIPP?

Once you reach the normal minimum pension age and, subject to our agreement and meeting certain conditions set by HMRC, you can choose to take benefits in the following ways:

### **Flexi-Access Drawdown**

As an income of any amount over whatever period you choose (known as flexi-access drawdown). There is no maximum limit on the income you can receive provided you have the cash in your SIPP. You can have a tax-free lump sum of up to 25% of the amount you put into flexi-access drawdown (subject to relevant allowances), with any income payments taxable as pension under PAYE.

### **Drip-Feed Drawdown**

As an automated series of amounts put into flexi-access drawdown, known as drip-feed drawdown. Drip-feed drawdown can be scheduled to move amounts into flexi-access drawdown on a monthly or yearly basis. Each time an amount is moved to flexi-access drawdown, you can have a tax-free lump sum of up to 25% of the amount you put into flexi-access drawdown (subject to relevant allowances), with any income payments taxable as pension under PAYE.

### **Uncrystallised Funds Pension Lump Sum**

As a single or series of lump sums from Uncrystallised funds (known as an Uncrystallised funds pension lump sum) usually 25% of each lump sum will be tax free, with the remainder taxable as if it were a pension under PAYE.

### **Capped Drawdown**

As capped drawdown, if you have an existing capped drawdown fund. This allows you to choose to take income up to a maximum limit set by HMRC rules, or to take no income. The maximum limit will be recalculated at least every three years if you are under 75 and every year if you are 75 or over. This recalculation could mean your maximum level of income may reduce or increase. If you choose an income over the maximum limit the amount in capped drawdown will automatically convert to flexi-access drawdown.

Taking drawdown allows you to continue to benefit from the potential for investment growth in your SIPP.

These options will not be available to anyone without a Financial Adviser.

## → When can I buy an annuity?

From when you reach the normal minimum pension age, although you do not need to purchase an annuity. You can use your pension fund to arrange a retirement income from a wide range of providers offering different income options. An annuity can provide a fixed amount of income, or it can increase each year. It is also possible to buy an annuity which will continue to be paid to your dependants if you die.

## → How will my lump sum and/or income be paid?

We will pay you by electronic transfer into a bank account in your name.

## → Can I transfer to another pension scheme at any time?

Yes, subject to the SIPP rules and HMRC requirements, you can transfer the value of your SIPP to another registered pension scheme or a Recognised Overseas Pension Scheme.

You can transfer both cash and assets from your SIPP to another registered pension scheme, subject to terms and conditions set by the new pension scheme.

If you want to transfer your SIPP after you have started taking benefits, the entire amount of your SIPP that has been used to provide these benefits, must be transferred to the new pension scheme at the same time.

You will also need to check with the asset manager of your underlying investments whether they will make a charge to sell the assets and transfer the monies in cash or make a charge to re-register the assets.

## → What happens if I die?

If you die under the age of 75, a beneficiary can receive a lump sum or a drawdown pension, free of tax.

If you die aged 75 or over, an individual who is a beneficiary can receive a lump sum or drawdown pension taxed at their marginal rate. A beneficiary who is not an individual, such as a company or a trust, can receive a lump sum taxed at 45%.

## Can I change my mind?

### → Opening

If you change your mind about opening your SIPP, you have 30 days from the date you receive our confirmation that your SIPP has been opened to write and tell us. A refund of the sum equal to the payment made will be made to you, your employer or the person that made the payment. This will be less any fall in market value, if the money has been invested, and associated investment charges.

If you ask us to fully complete your SIPP, before the end of 30 days there will be no right to cancel.

### → Transfers

If you wish to change your mind about a transfer, you have up to 30 days from the completion of the transfer to cancel by writing to us. If you cancel the pension transfer it will be returned to the previous scheme, provided that the previous scheme will accept the return of the assets. This return will be less any fall in the market value of any investments made and associated investment charges. Alternatively, the assets may be transferred to an alternative registered pension scheme of your choosing, provided this meets HMRC rules.

If you do wish to cancel your SIPP, or a transfer, please write to us at the address shown in the 'How to Contact us' section at the end of this document. Remember to include your full name, address and Account number.

### → About benefits

If you wish to change your mind the first time you make an election to receive benefits, you can cancel within 30 days from the date you receive our confirmation that your benefits are being paid. You can cancel by writing to us and refunding in full any lump sum and income payments you have received. If you cancel your election to take benefits, this does not affect your right to take income withdrawals in the future.



## 3 Other information

### Client category

We classify you as a 'retail client' under Financial Conduct Authority (FCA) rules. This means you'll receive the highest level of protection for complaints and compensation and receive information in a straightforward way.

### Communicating with you

Our documents, reports and other communications will be in English.

### Terms and conditions

This Key Features Document gives a summary of the M&G Wealth Pension Account. Full details are set out in our [Terms](#) document, which can also be requested using the contact details on the last page. Your Financial Adviser will also provide it to you.

### Our regulators

Investment Funds Direct Limited is authorised and regulated in the UK by the Financial Conduct Authority. We are registered on the Financial Conduct Authority (FCA) Register, reference number 114432.

### Law

The Terms relating to the Platform are governed by the law of England and Wales.

### Financial strength

M&G Wealth Platform meets regulatory standards for meeting its financial obligations. You can read more information in our [Security of assets](#) document and on our [website](#).

### Compensation

IFDL is covered by the Financial Services Compensation Scheme (FSCS) in respect of the Platform and the Accounts within it. If you make a valid claim against us in respect of your Investments and we are unable to meet our liabilities in full, you may be entitled to redress, from the FSCS, of up to £85,000.

Your cash and Investments are always held separately from our own accounts and from those with whom we place the Investments. As such, any insolvency practitioner should be obliged to return your cash and Investments to you as part of the wind down process.

If your investment provider fails financially, as long as you have selected one covered by the FSCS, your Investment, with that provider, will be covered by the scheme. The fund prospectus, or similar document, will tell you if your investment provider is a member of the scheme. Such Investments should be covered up to a limit of £85,000, per provider. Insured Funds, covered by FSCS, receive protection of 100% of the Investment and are not subject to an upper limit of protection. The FSCS does not protect you against losses if the Investment were to fall in value.

The banks we use acknowledge your money is held as client money which is protected in the event of the insolvency of IFDL. In the event of the insolvency of one of the banks we use, any client money we hold for you is protected under the FSCS up to a maximum of £85,000 for each client and bank with whom client money is held. This limit is applied to banks that are separately authorised and can only be applied once, therefore banks operating under different brands within the same authorisation are covered under the same limitation. The compensation limit of £85,000 includes any other money held by you in accounts with the authorised banks we use, therefore if you have current or deposit accounts with the same bank these will all count towards the compensation limit of £85,000.

Temporary high balances of up to £1 million are protected for a limited period of 6 months from when the amount was first credited to the account or became legally transferrable, the FSCS website has further details on the definition of a temporary high balance.

**For further information please visit the Financial Services Compensation Scheme (FSCS) website ([www.fscs.org.uk](http://www.fscs.org.uk))**

**Tel:** 0800 678 1100 or 020 7741 4100

**Address:** Financial Services Compensation Scheme,  
10th Floor, Beaufort House, 15 St Botolph Street,  
London EC3A 7QU

## Conflicts of Interest

Conflicts of Interest occur when, in the course of doing business with you, we or another customer of ours have an interest in obtaining a different result than the one that may be best for you.

We establish, operate and maintain effective policies and procedures within our business which are designed to:

- identify potential conflicts of interest which carry a risk of damage to our customers' interests;
- ensure that we take reasonable steps to prevent such conflicts arising; and
- provide a framework for us to follow to manage such conflicts to protect our customers' interests.

An example of a conflict of interest which may arise in connection with our Platform service is when we are buying or selling assets: the timing of these deals and the order in which they are struck could affect the prices that customers get and so create conflicts between customers, and/or make a difference to the administrative workload and so create conflicts between what is easy for us and what is best for the customer. We address these potential conflicts by having an Order Execution Policy. Further details of our Conflict of Interest Policy are available upon request.

## How to make a complaint

If you have any concerns, or are dissatisfied with our service, please contact us to discuss this and we will aim to resolve your issue straight away. If you are not entirely satisfied, we have an internal complaints procedure which follows the standards required by the Financial Conduct Authority.

### Please contact us at:

**Tel:** 0345 120 3022. Our lines are open 9:00am to 5:00pm Monday to Friday

**Email:** [platformcomplaints@mandg.com](mailto:platformcomplaints@mandg.com)

**Address:** Complaints Team, M&G Wealth, Trimbridge House, Trim Street, Bath BA1 1HB

See more details in our [Complaints Policy](#), which is also available on the Platform. If you are not satisfied with our response, you have the right to refer your complaint to The Pension Ombudsman or the Financial Ombudsman Service free of charge.

### The Pension Ombudsman

The Pensions Ombudsman deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes.

Contact with The Pensions Ombudsman about a complaint needs to be made within three years of when the event(s) you are complaining about happened – or, if later, within three years of when you first knew about it (or ought to have known about it). There is discretion for those time limits to be extended.

#### The Pensions Ombudsman can be contacted at:

**Tel:** 0800 917 4487

**Email:** [enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)

**Address:** 10 South Colonnade, Canary Wharf London, E14 4PU

**Website:** [www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

#### You can also submit a complaint online:

[www.pensions-ombudsman.org.uk/making-complaint](http://www.pensions-ombudsman.org.uk/making-complaint)

### Financial Ombudsman Service

The Financial Ombudsman Service deals with complaints about most financial services, including financial advice, investments and pensions.

Contact with the Financial Ombudsman Service about a complaint needs to be made within three years of when the event(s) you are complaining about happened – or, if later, within three years of when you first knew about it (or ought to have known about it). There is discretion for those time limits to be extended.

#### The Financial Ombudsman Service can be contacted at:

**Tel:** 0800 023 4567

**Email:** [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

**Address:** The Financial Ombudsman Service, Exchange Tower, London E14 9SR

**Website:** [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)


#### You can also submit a complaint online:

[www.financial-ombudsman.org.uk/make-complaint](http://www.financial-ombudsman.org.uk/make-complaint)

## Contact us

 0345 076 6140

Our lines are open 8:30am to 5:30pm Monday to Friday.  
Telephone calls may be recorded for training and security purposes.

 Client Services, M&G Wealth Platform,  
Trimbridge House, Trim Street, Bath BA1 1HB

 [platformsupport@mandg.com](mailto:platformsupport@mandg.com)

 [mandgwealth.com/platform](https://mandgwealth.com/platform)

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Investment Funds Direct Limited is a subsidiary of M&G plc, incorporated and registered in England and Wales. Registered office: 10 Fenchurch Avenue, London EC3M 5AG. Registered number 11444019. M&G plc is a holding company, some of whose subsidiaries are authorised and regulated, as applicable, by the Prudential Regulation Authority and the Financial Conduct Authority.