



**EMPLOYER SPONSORED MEMBER DIRECTED
PENSION SCHEMES**
(Small Self-Administered Schemes or 'SSAS')

Fee Agreement Effective 15 September, 2016

for our

Professional Services to your SSAS
(a 'Redswan SSAS')

This document helps you understand the fees for establishing and administering a Redswan SSAS. It also provides you with a comprehensive guide to all transaction costs, and answers frequently asked questions about our charges.

Example 1: getting started	What would the costs be?
An adviser recommends a Redswan SSAS for a director of a limited company. He has previous pension funds with two other providers that will be transferred in as cash.	SSAS establishment £495
The adviser sends Redswan the current providers' pension discharge papers with our transfer-in applications.	SSAS annual administration fee for one member (taken in advance) £595
Redswan draws up the documentation to establish the SSAS and its bank account and applies for the transfers. Within a short period of time the other providers transfer their funds to the new SSAS, where they are deposited in the bank account.	Sub-total £1,090 VAT @ 20% £218
Redswan tells the adviser when each fund has been transferred and when the last one has arrived, the adviser implements the investment strategy he has agreed with his client.	TOTAL £1,308 <small>(the future annual charge would be £595 + VAT after allowing for the one-off establishment charge)</small>

Example 2: buying a property	What would the extra costs be?
The client later decides to purchase a commercial property, which he believes will provide the best investment return.	SSAS disinvestment fees nil
The adviser instructs Redswan to disinvest the existing investments and the SSAS funds are used to acquire the client's chosen property.	Handling the purchase £550 Annual property fee £250
In addition to the SSAS fees, the client also expects to pay for a valuation, as well as solicitor's fees and stamp duty (if applicable). Additional Redswan fees (and possibly bank borrowing costs) would also be incurred if the SSAS has to borrow to fund the purchase. These fees can all be settled from the SSAS.	Sub-total £800 VAT @ 20% £160
The annual property fee covers various aspects of administering the property.	TOTAL £960 <small>(in this example, the property being acquired is exempt from VAT)</small>

Example 3: ongoing charges	What would the costs be?
The type and amount of ongoing charges depend on where you choose to invest your SSAS. For example, different ongoing charges will apply if you invest in commercial property or investment funds (see below).	A. Investing solely in funds and equities
NB: for investment funds, in addition, there will usually be annual management fees and initial charges for the funds in which you invest. Your financial adviser will provide you with details of these charges.	SSAS annual administration fee £595 SSAS investment dealing charges (but see NB aside) nil
	Sub-total £595 VAT @ 20% £119
	TOTAL pa £714
	B. Investing solely in property
	SSAS annual administration fee £595 Annual property fee £250
	Sub-total £845 VAT @ 20% £169
	TOTAL pa £1,014

Example 4: taking benefits via Income Drawdown

After several years the client decides to start drawing benefits from his SSAS. He decides to take his maximum allowed tax-free cash lump sum along with maximum permitted income, paid monthly. This is known as Income Drawdown. Should the client decide to stop drawing income, the annual charge for monthly income would no longer apply.

What would the costs be?

To crystallise (initiate benefits)	£150
To establish PAYE	£95
To operate PAYE to receive monthly income (annual charge)	£145
SSAS annual administration fee	£595
Sub-total	£985
VAT @ 20%	£197
TOTAL	£1,182
<small>(the future annual charge would be £740 + VAT after allowing for the one-off establishment of PAYE and crystallising benefits charges)</small>	

Example 5: taking a Pension Capital Withdrawal (UFPLS)

After several years the client decides to start drawing benefits from his SSAS as a one-off payment. This is known as Pension Capital Withdrawal. If no further withdrawals are taken, there would be no charge for operating the annual PAYE.

What would the costs be?

To make a withdrawal	£150
To establish PAYE	£95
To operate PAYE to receive a one off withdrawal	£55
SSAS annual administration fee	£595
Sub-total	£895
VAT @ 20%	£179
TOTAL	£1,074
<small>(the future annual charge would be £650 + VAT after allowing for the one-off establishment of PAYE and withdrawal charges)</small>	

Detailed Schedule of Fees

Please also see the Other Information and Frequently Asked Questions ('FAQs') About Fees pages that are part of this Fee Agreement

	Fee	When is the fee taken?
Establishment Charges (FAQs 1 & 10)		
<ul style="list-style-type: none"> to establish a SSAS 	£495	in advance
Takeover of an Existing SSAS		
<ul style="list-style-type: none"> to takeover an existing SSAS 	£495	in advance
Annual Fees (FAQs 1 & 10)		
<ul style="list-style-type: none"> basic annual charge for: <ul style="list-style-type: none"> one member for each additional member (capped at a maximum charge for four members in total) 	£595 £195	in advance
Transfers In (FAQs 3, 4 & 10)		
<ul style="list-style-type: none"> to transfer in your first two previous pension arrangements (in cash and initiated within 3 months of your SSAS membership only) additional or subsequent cash only transfers in (per pension entitlement transferred) in specie from an investment manager or fund supermarket where assets are held in a nominee account in specie property in specie borrowing in specie trustee investment plan, including deed of assignment where investments are held direct with the fund provider/registrar plus per asset held where deeds of assignment are needed 	nil £95 £95 £550 £300 £295 £95 £50 £295	all on completion of the transfer
Transfers Out/Closure (FAQs 10 & 12)		
<ul style="list-style-type: none"> in cash from the default bank account (full or partial) per member to an overseas pension scheme (must be treated as a crystallisation event). If in specie, the fee also applies in specie transfers out in addition, in specie transfers out are charged at the same rate as in specie transfers in, as detailed above scheme winding-up migrating to a Redswan SIPP 	£295 time cost £295 see above £295 please call	all immediately prior to the transfer's payment
Contributions (FAQs 2 & 10)		
<ul style="list-style-type: none"> single cash contributions after establishment and variations to regular contributions in specie contributions are charged at the same rate as in specie transfers in, as detailed above 	nil see aside	on completion of the transfer on completion of the transfer

- intellectual property
 - initial appraisal fee
 - annual fee
 - sale

Fee	When is the fee taken?
time cost	in advance
£175	in advance
time cost	on completion

Other Costs inc Banking/Borrowing (FAQs 9, 10 & 11)

• borrowing		
• with one borrower	£300	on loan drawdown
• for each additional borrower	£100	
• provision of default bank account	nil	
• ad hoc valuation	£125	event triggered
• VAT		
• (de)registration	£100	event triggered
• per return	£50	annually in advance
• tax return	£185	event triggered
• client meetings		
• offsite	by prior agreement	post meeting
• at our offices (one per annum)	nil	
• admitting a new member and trustee	£295	event triggered
• removal of a trustee	£195	event triggered
• appointment of a new sponsoring or associated company	£295	event triggered
• wholesale upgrade of governing scheme documentation	£550	event triggered
• HMRC investigations	time cost	event triggered
• company sales/acquisitions	time cost	event triggered
• member disputes/pensions sharing on divorce	time cost	event triggered
• ceasing to act as professional trustee and/or scheme administrator, including dealing with any successor	time cost	event triggered
• external levies (FAQ 1)		
• the Information Commissioner (per annum)	£35	annually in advance
• the Pensions Regulator (per annum, for schemes with more than one member)	£29	

Benefits & Payments (FAQs 5, 10 & 11)

• to take a tax-free lump sum	£150	post event
• apportionment of assets between members	£185	event triggered
• pension capital withdrawal (UFPLS)	£150	just before withdrawal
• establishment of pension payment(s) & PAYE	£95	
• annually billed fee per member for the operation of PAYE to receive a:		
• monthly pension	£145	all post establishment
• quarterly pension	£115	
• biannual pension	£85	
• annual pension	£55	
• capped drawdown pension review (each)	£125	post review
• lifetime/temporary annuity purchase (each)	£175	just before purchase
• non-standard benefit calculations	time cost	post event
• death	time cost	on payment of benefits

**No fees will be refunded in part or full (FAQ 1)
This includes (but is not limited to) annual, borrowing, property & benefit fees**

BEFORE you sign this Fee Agreement please ensure that you have: a) read all of its pages b) understood its terms & conditions and c) asked any questions if anything was unclear

As trustee(s) of the

(insert the name of your scheme)

we hereby agree to the charges, terms and conditions specified throughout this Fee Agreement.

Please invoice the

Scheme	Company
<input type="radio"/>	<input type="radio"/>

(please tick one box only)

Note – fees are subject to VAT. Unless your scheme is VAT registered, it will be unable to reclaim the VAT. We understand that VAT registered companies are able to reclaim the VAT as an input but the position should always be checked with your tax adviser/HMRC, depending on your individual circumstances.

Name (in CAPS)	Signature
Name (in CAPS)	Signature
Name (in CAPS)	Signature
Name (in CAPS)	Signature

As the sponsoring employer of the above scheme, the charges, terms and conditions specified throughout this Fee Agreement are hereby agreed

Director

Director/Company Secretary

Date

Other Information

Please note: references below to "we", "us" and "our" are to:

- Redswan Ltd and
- Redswan Pensioners Ltd (the SSAS's co-trustee and, where specifically appointed, formal HMRC Administrator).

VAT

All fees are subject to VAT at the standard rate.

Standard Credit Terms

14 days from invoice date. We reserve our statutory right to compensation and interest (at Bank of England base rate plus 8% pa) after this time under the Late Payment of Commercial Debts (Interest) Act 1998. By signing this Fee Agreement you agree to these terms irrespective of any limitations under the Act.

Financial Services & Markets Act

In signing this Fee Agreement, the parties acknowledge that neither Redswan Ltd nor its associated professional trustee company, Redswan Pensioners Ltd (in its capacity as Administrator (where appointed)), have provided you with regulated financial advice personal to your/your company's/family's circumstances. The suitability of the SSAS for you and/or your company, including the transfer in of any benefits, and investment advice, is the province of a qualified financial adviser.

It is always advisable to seek such professional advice and we encourage it for your own protection. If you decide to proceed in any event, we cannot accept liability for the consequences of such action and there can be no right of redress under the channels that would otherwise have been available to you had you used a financial adviser's services.

Data Protection Act

Some services are provided to us by third parties, such as obtaining compliance or regulatory advice, which warrant the disclosure of more than just your basic contact details. You agree that personal information held by us may be disclosed on a confidential basis, and in accordance with the above Act, to any such third parties. You also agree that this information may be transferred electronically, e.g. by email and you agree that we, or any such third party, may contact you in the future by any means of communication that we consider appropriate at the time.

UK Money Laundering Regulations

We are obliged to conform to the above Regulations and adhere to the guidance notes from the Joint Money Laundering Steering Group that require financial institutions to verify identity and place of residence. This process may require sight of certain documentation. If you provide false or inaccurate information or if we suspect fraud or money laundering, we will record this.

We will not be able to establish your SSAS or forward any applications or monies to any third parties/product providers until our verification requirements have been met. We take no responsibility for any delay in investing monies where money laundering verification is outstanding. In circumstances where money laundering verification is not provided to us in a timely fashion after we have received applications for investments, we reserve the right to return any forms and monies to you, uninvested.

By signing this document you agree to your personal information being used by us and any banking institution necessary for the SSAS's operation (including those you instruct us to open accounts with) to make a search with a credit reference agency who will supply information, including information from the Electoral Register, for the purposes of verifying your identity and address.

Limitation of Liability

Irrespective of any subsequent documentation that may be entered in to, it is acknowledged that the liability of Redswan Pensioners Limited (acting in its capacity as your SSAS's professional trustee and, where specifically appointed, your SSAS's formal HMRC Administrator) is limited to the assets for the time being of your SSAS and, further, it shall have no liability once it ceases to act as your SSAS's trustee/Administrator.

FAQs About Fees

Pension Administration

1. What are the annual and establishment fees for?

The establishment fee covers:

- establishing your SSAS, including member announcements, governing documents and registration with HMRC
- establish your SSAS's default bank account
- checking your application is properly completed
- verifying anti-money laundering ID
- creation of system records
- processing any initial contributions

- initiating the transfer in of up to 2 previous pension arrangements within 3 months of establishment
- initial registration with the Pensions Regulator & Information Commissioner. The actual levies (as above) are current at the time of publication and are usually paid from the SSAS by direct debit. If either goes into arrears or a registration is allowed to lapse, a fee is payable of £50 plus VAT for each reminder after the first, together with a £100 plus VAT re-registration fee.

Establishment fees are incurred on the signing of this agreement. If the SSAS does not proceed, there can be no refunds or reductions as the preparation work will already have been undertaken.

The annual fee includes:

- preparing an annual reconciled report
- acting as HMRC designated Administrator (where appointed) and acting as signatory and trustee through our associated professional trustee company
- monitoring the SSAS's bank statements
- acting as co-owner of scheme assets
- general queries/administration/maintenance of records (**not** financial advice)
- review and maintenance of the Pensions Regulator & Information Commissioner's entries (but not the actual levies).
- fulfilling all regulatory requirements, including the completion of the annual HMRC registered pension scheme return and the Pensions Regulator's returns when selected.

The first year's annual fee is incurred on the establishment of your SSAS. Subsequent years are billed on its anniversary.

No fees will be refunded in part or full when a transaction is aborted for whatever reason (such as a property purchase falls through, by way of just one example) or a transfer out is initiated. This includes but is not limited to annual, borrowing, property and benefit fees.

2. How do the fees for contributions work?

There are no fees for any cash contributions, whether they be single or regular contributions by standing order. In specie contributions, however, incur specific charges depending on the nature of the asset being contributed.

3. How do the fees for the transfer in of cash benefits work?

Experience tells us that most transfers in happen when someone joins a SSAS; that's why we allow for two free ones per person commencing within the first three months of their membership.

Starting any transfers outside the initial three month 'window', or additional ones above the free two, are chargeable.

4. How do you charge for the transfer in where I have taken some benefits from my previous scheme (a partial BCE)?

In order to accept a transfer in where a client has previously taken benefits (a 'BCE'), we need to establish exactly how much of the previous pension scheme has been taken, which may be all or partial.

Your Redswan SSAS will receive all the transfer and 'ringfence' the funds from which benefits have already been taken. Normal full establishment and annual administration fees will apply.

The ringfenced funds will then attract fees for paying or reviewing any income from them.

Benefit Crystallisation ('BCE') & Income Drawdown

5. What are your charges for going into income drawdown?

The BCE fee covers the work required to reconcile and revalue your SSAS funds in accordance with legislation and then pay benefits.

If you choose to take income, an annual pension payment fee will then be charged. This covers the administration of PAYE payroll, deduction of tax if required and making the appropriate returns to HMRC. Also included is the facility to vary the level and frequency of income payments.

Investment Related Fees

6. Do your fees include the stockbroker's etc, fees?

No, our fees do not include stockbroker, investment manager, fund supermarket or nominee fees and charges.

Property Fees

7. How do you calculate fees for dealing with the purchase of property?

Our fee is a flat rate allowing for certainty of cost and applies in virtually all cases. Where this Fee Agreement does not specifically state otherwise, we will advise you should the flat rate not apply, either in advance where it is obvious, or should matters become over-complicated or protracted through no fault of our own.

Any other professional fees, such as solicitor and valuation fees, for example, together with all disbursements relating to the acquisition, sale or management of any property, are payable from your SSAS.

8. What do you do for your annual property fee?

We deal with all general property administration issues, dealing with insurance, making loan repayments and dealing with tenants' requests concerning matters such as assignments, underlettings and alterations. Property management and inspections are not included in the property fee.

Borrowing

9. What are the fees if my SSAS borrows money?

If your SSAS borrows for any reason (for example, to purchase property as part of the overall transaction) our fee is a flat rate allowing for certainty of cost and applies in virtually all cases. Where this Fee Agreement does not specifically state otherwise, we will advise you should the flat rate not apply, either in advance where it is obvious, or should matters become over-complicated or protracted through no fault of our own.

General

10. Do your fees increase?

Fees are automatically increased on 1 April each year by the higher percentage change over the previous calendar year in the:

- average weekly earnings (AWE) index or
- consumer prices index (CPI)

as measured by the Office of National Statistics.

If either index ceases to be published, or if the calculation is altered, we may substitute a comparable one.

We may at any time increase or amend all or any of our fees or charges payable by your SSAS or its sponsoring employer in such a manner as we may determine.

We will give you 30 days' notice where we amend or increase any fees by an amount materially exceeding the percentage increase in AWE/CPI, as above.

11. What are the additional/time cost fees?

We reserve the right to charge for additional services on a time cost basis relevant to the expertise and seniority of our staff involved. The relevant charge out rates will depend on the employee doing the work. The current charge out rates per hour (+ VAT) are:

Director	£250
Manager	£200
Senior administrator	£150
Administrator/clerical	£100

12. Is there anything else I should know?

All expenses, charges and outgoings whether in respect of the investments contained in your SSAS (including the costs of purchase, sale, management, maintenance and valuation of freehold and leasehold properties, if any, and other investments) or other expenses however incurred shall be charged to your SSAS.

In the event of any levy or taxation being imposed on us or your SSAS under any statutory provision affecting the business of SSAS providers, operators, administrators or insurance companies, we may recover from your SSAS an amount equal to the proportion of such levy or taxation that we may reasonably determine. This will be on a basis similar to how the levy, tax, liability, charge or other payment has been calculated.

Glossary & Explanation of Terms

Establishment: the creation of your SSAS to the point where it is ready to be used.

Administration: the process of looking after your SSAS on an ongoing basis. This includes but is not limited to many things such as providing a reconciled annual statement, setting up any initial regular contributions or savings.

'BCE' or Benefit Crystallisation Event: the act of starting to take benefits (tax free cash and/or income) from your SSAS. It may also be called 'vesting'.

Transfer in: transferring the value of pension benefits from an existing pension scheme to your SSAS, either in cash or in specie (see below).

In specie: the transfer of an asset other than cash from another pension scheme to this one.

Lifetime annuity: a policy issued by an insurance company which provides an income in exchange for a lump sum from your SSAS's accumulated monies.

OEIC: open ended investment company, also known as a 'collective' investment.

TIP: trustee investment plan

'UFPLS' or Uncrystallised Funds Pension Lump Sum: the formal term in legislation for a Pension Capital Withdrawal.