

THE IPS PARTNERSHIP

The IPS SIPP – Fee structure

The fees payable for the IPS SIPP are charged by the Administrator, The IPS Partnership Plc ("IPS"). IPS issues a VAT invoice for each fee due. IPS will withdraw fees from the SIPP's cash account within two weeks of issuing the invoice (in the case of a new SIPP, fees are withdrawn as soon as cleared funds are available). If there are insufficient funds available, IPS will ask you or your adviser to arrange settlement from other investments or funds held in respect of your SIPP, in order to meet the fees as and when they fall due for payment. You will be asked in your SIPP application to agree that payment will not be unreasonably withheld.

Fees per member are currently charged in accordance with the following schedule:

Establishment and Annual Administration

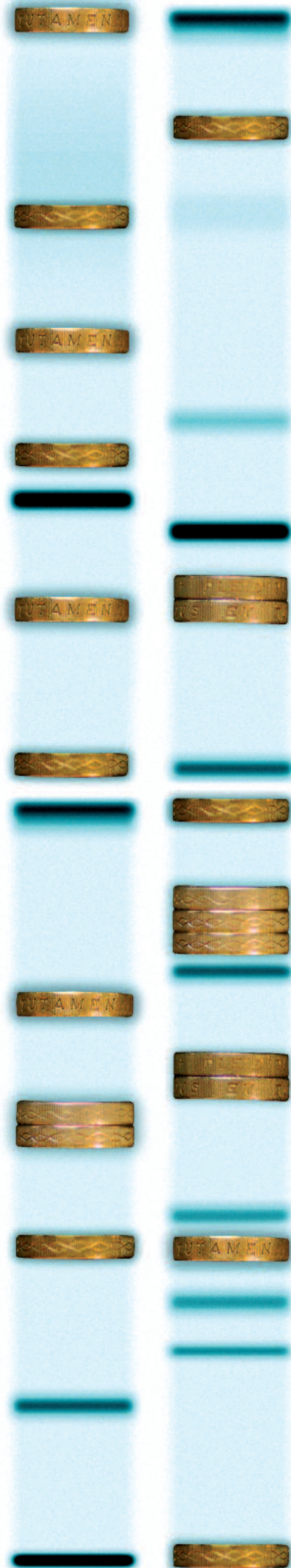
- **Initial fee, payable at outset:**
£495 plus VAT
- **Annual administration fee payable from the end of year one:**
£395 plus VAT (this is an annual in arrears fee, it is charged on a pro rata basis for any transfers-out)

These fees cover the following services:

- Preparation of Supplemental Deed and copies of Establishing Trust Deed and Rules
- Opening of the SIPP cash account
- Appointment and provision of the professional trustee
- Dealing with regular correspondence with HM Revenue & Customs
- Dealing with day to day general correspondence
- Dealing with changes in HM Revenue & Customs' practice e.g. revision of the Trust Deed or Rules where necessary
- Maintenance of records including correspondence
- Provision of annual statements in accordance with legislation
- Submission to HMRC of Event Reports, Accounting for Tax Returns and Registered Pension Scheme Returns
- Reclaim of income tax on contributions
- Acceptance of contracting-out contributions and transfers.

Notes:

- VAT is charged at the prevailing rate
- Annual fees (including additional amounts outlined below) increase on the 1st January each year in line with the Index of National Average Earnings
- The IPS Partnership Plc reserves the right to amend the fee structure. One month advance notice will be given to you of any amendments made. If you do not accept the revised fee structure we will allow you 90 days to transfer to a new provider and maintain the existing fees for that time.



Additional fees

Additional fees may be charged for services not covered by the fees shown above. These services are listed below and are subject to VAT.

Fees for some additional services will depend on the level of involvement required.

Retirement/death Benefits

Benefit Calculations (per tranche)	£100
Payment of pension via our payroll service	£150 p.a.
Pension reviews	£100
In-specie payments	£250
Death benefits	See notes

Property

Purchase	£500
Sale	£250
Joint Purchase per member (reductions available for four or more)	£500
Annual fee	Nil

Contributions/Transfers

Transfer-in	Nil
Multiple transfers	See notes
Inspecie transfers	See notes
Transfers-out	£100
Overseas transfers-out	£400
In-specie contributions	£250

Investments

Processing conventional Investments/transactions	Nil
Unquoted Shares	£250
Connected party transactions	£250

Administration

Same day CHAPS payments	£15
Lifetime allowance charges, refunds of overpaid contributions, unauthorised payment charges, surcharges, scheme sanction charges	See notes
Additional trustee	£100
Divorce	See notes



Notes:

It is not possible to set a fixed fee for certain items of work, as they vary depending on their nature, complexity and amount of time involved. In these cases IPS will aim to quote a fee at outset and will do everything to stay within the quoted amount. However, this cannot be guaranteed and additional time cost fees at a standard rate of £150 per hour plus VAT may have to be charged. Items mentioned above fall into this category. Other items are as follows:

- Detailed correspondence or meetings with solicitors, accountants or advisers
- Particularly complex or time consuming transactions
- Excessive chasing for transfers or other items
- Preparation of fund valuations where information is not provided
- Client meetings
- Multiple bank accounts
- Aborted property transactions
- Investors will be liable to pay external transaction costs such as stock exchange fees, custody fees, stockbroker's commission, stamp duty, valuation and legal fees.

Adviser's remuneration

IPS does not give advice with regard to the IPS SIPP or the benefits payable from the IPS SIPP. In cases where an IPS SIPP is established as a result of advice given by an independent financial adviser or other body regulated by the FSA, or they advise on the investment of the SIPP, remuneration can be paid to the adviser by IPS from the SIPP fund. The amount of this remuneration must be agreed between the adviser and their client and must be disclosed in the Adviser's Remuneration section of the IPS SIPP application form. IPS can also accept a separate authority provided it has been signed by the SIPP member.

Frequently asked questions

When I set up my SIPP how much do I pay?

When your IPS SIPP is established, we issue an invoice immediately for the establishment fee of £495 plus VAT. Please note that the addition of VAT means the actual amount IPS earns in fees is less than the total amount you pay.

When do I have to pay?

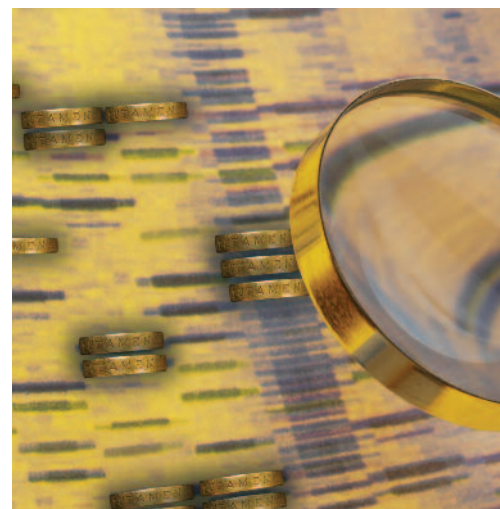
IPS's normal process is for fees to be deducted from your pension fund. This means you do not pay until there is cash held by your SIPP. When your first contribution or transfer has cleared the bank account we will deduct our fee.

What about my annual fee?

The first annual fee is £395 plus an amount to account for the increase in the index of national average earnings since your SIPP was established plus VAT. An invoice is raised on the 364th day since your SIPP was established, and annually thereafter. Funds are then deducted from your SIPP cash account to settle the fees a few days later. If there isn't enough cash to pay the fee, we will contact you or your financial adviser to ask for investments to be sold to cover this. In some cases where investments are being managed by an investment manager we will contact them direct to ask for funds to be sent to us to pay our fee.

Can I pay my fees personally, or can my employer pay?

You can choose to pay our fees personally if you wish. Your employer can only pay our fees if it is funding your SIPP by paying employer's pension contributions, meaning your SIPP is a staff pension arrangement.



What happens if I can't pay your fees?

If your SIPP fund has no cash or saleable investments to pay our fee, we will ask you to settle these personally. If you do not pay, we will pursue payment through the small claims court.

What fees are charged when I make an investment?

For most investments we do not charge an extra fee. Where we do, this is outlined above. If we charge a fee for an investment such as a property purchase, this will be invoiced when the investment is made, and we will withdraw funds from your cash account to settle the fee at that time.

For example, if you establish an IPS SIPP and purchase a property at outset, the total initial fee will be £995 plus VAT (£495 for the initial fee and £500 for the property purchase).

What do I pay when I retire?

When we are asked to calculate retirement benefits we issue an invoice for £100 plus VAT at that time, which is then deducted from your cash account. If you start drawing a pension from your IPS SIPP we will issue an invoice for £150 plus VAT each year (increasing annually in line with National Average Earnings) when we issue your P60 tax year summary.

What about when I die?

The treatment of your SIPP fund on death depends on a number of different factors and we cannot give a fixed fee structure. For this reason we charge on a time spent basis as outlined above. In the most simple cases there may be no additional fee (for example a widow's pension commences immediately on your death). However, in the most complex, the fee could be several thousand pounds.

Do I have to pay other fees?

In some cases additional fees may have to be paid. The most common is in the case of a property purchase, where solicitors, valuers, mortgage arrangement, and builders fees may all be payable. IPS has no control over the level of these fees.

How does my financial adviser get paid?

Your financial adviser will agree the level of their remuneration directly with you. This may be a set amount, or a percentage of the fund. The fees can be paid from your SIPP fund. Our application form has a section where the level of their fees is completed. Their initial fee is paid from the initial contributions or transfers received in the same way as ours. If they are paid regular fees (e.g. annual renewal), these are paid by us from your SIPP cash account on receipt of their request.

Where we pay remuneration to your adviser from your SIPP fund, we ask them to contact us direct when payment is due.

We can only make payments where we have your authority either in our application form or by a separate instruction.

In many cases, your financial adviser will choose to be paid remuneration from investments made by your SIPP rather than by us from your SIPP cash account. In these cases they will need to agree this with you in advance.



If you have any queries or would like to discuss our fee structure in more detail, please contact us at:
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