

Terms and conditions for paying your adviser

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1. Introduction

1.1 This booklet describes the terms and conditions for paying charges to your adviser from your pension plan. It applies to the following pension products:

- Active Money Personal Pension (AMPP)
- Self Invested Personal Pension (SIPP)
- Group Flexible Retirement Plan (GFRP)
- Group Self Invested Personal Pension (GSIPP).

In this booklet ‘we’ and ‘us’ means Phoenix Life Limited, trading as Standard Life and ‘you’ means the person who has, or has applied for, one of the above products.

1.2 This booklet doesn’t apply if you are paying your adviser directly for their services. Neither does it apply if you have a wrap SIPP since the terms and conditions for paying charges to your adviser from a wrap SIPP are included in the booklet that’s coded WRAPSIP62.

1.3 If your plan is a GFRP or GSIPP, this booklet applies only to the charges which you have personally agreed with your adviser. It doesn’t apply to the commission charges that the group employer has agreed with the group adviser. If the group adviser is eligible to receive commission from your plan, these charges are described in the key features document and the terms & conditions booklet for your plan.

2. Types of adviser charges

2.1 The following sections describe the different types of charges that you can agree to pay your adviser from your plan. We’re not responsible for setting the level of the charge, which is a private matter between you and your adviser. But any adviser charges deducted from your pension plan must relate only to the advice or services you have received from your adviser in relation to that pension plan. Any fixed monetary amounts must be in sterling.

Adviser charging is only available on GFRP/GSIPP schemes that were established on or after 31 December 2012, or if the scheme was set up before this date and we have agreed to make adviser charges available.

Regular initial adviser charge: regular payments to the flexible account

2.2 If your plan is an AMPP or SIPP, you can pay a ‘regular initial adviser charge’ to your adviser from the flexible account in your plan. (Your plan is made up of one or more accounts and the flexible account is the ‘pot’ into which all the regular payments are paid.) This charge is a fixed monetary amount and it can be paid as a one-off amount (if the flexible account can support it) or it can be spread over a set period and paid every month, every three months, every six months or once a year. We need to know how much is to be paid, how often and for how long.

Initial adviser charge: single or transfer payment

- 2.3 You can pay an ‘initial adviser charge’ to your adviser each time a single or transfer payment is made to your plan. This charge is a one-off amount. You can express it as a fixed monetary amount or as a percentage of the single or transfer payment. We create a separate account for each single or transfer payment we receive and we will deduct the charge from the account set up to receive that payment.

Initial adviser charge: new phase of income drawdown

- 2.4 This option is available to you if your plan is a SIPP and you choose full or phased income drawdown. If your plan is a GSIPP already in drawdown, this option is also available for a new phase of income drawdown under your plan.

You can pay an ‘initial adviser charge’ to your adviser each time you ask us to apply a pension date to part of your plan to:

- a) provide a tax-free lump sum and designate funds for income drawdown, or
- b) just designate funds for income drawdown.

The benefits will be paid from a new ‘post pension date account’ and the charge will be deducted from that same account after the tax-free lump sum, if any, has been calculated.

You can express the charge as a fixed monetary amount or as a percentage of the new post pension date account. If you choose to express it as a percentage, that percentage applies to the full value of the new post pension date account before any tax-free lump sum is paid.

Ongoing adviser charge

- 2.5 You can pay an ‘ongoing adviser charge’ from your plan to your adviser for their ongoing advice or services and/or to another registered adviser for specialist advice or services they are providing to you in relation to your plan. You can pay this charge every month, every three months, every six months or once a year. You can express this charge as a fixed monetary amount or as a percentage of your plan value. By ‘plan value’ we mean the value of the plan at the date the charge is deducted. If it’s a fixed monetary amount, we need to know how much is to be paid each time. If it’s a percentage of your plan value, we need to know the yearly percentage rate and the frequency. We will pay this charge until you instruct us to stop – if your plan is a GFRP or a GSIPP, this means we will continue to pay this charge even if you stop working for your current employer.

You can change the level or frequency of the charge during the lifetime of your plan. You can also replace a charge that’s expressed as a fixed monetary amount with a new charge that’s expressed as a percentage of your plan value, or vice versa.

We’ll stop paying any fund based renewal commission, level commission or fees from your plan before we start paying an ongoing adviser charge.

Ad hoc adviser charge

- 2.6 You can pay an ‘ad hoc adviser charge’ from your plan to your adviser for their advice or services at any time during the lifetime of your plan or to another registered adviser for specialist advice or services they have provided to you in relation to your plan. You can express this charge as a fixed monetary amount or as a percentage of your plan value. The charge will be a one-off payment but you can pay more than one ad hoc adviser charge during the lifetime of your plan.
- 2.7 This section applies if your plan is a SIPP or GSIPP and you want to pay an ad hoc adviser charge when you start ‘drip-feed’ income drawdown. If you choose to express the charge as a percentage of your plan value, that percentage will apply to your total plan value before any tax-free lump sum is paid.

3. Giving us instructions

- 3.1 You must agree the level of the charges with your adviser before giving us instructions to pay these charges from your plan. We will carry out your instructions unless we have a valid reason not to, in which case we will inform you of our reasons.

How you can give us instructions

- 3.2 If you are completing a form to apply for a new plan or to make a new payment to an existing plan, you can complete the section in the form that asks you how you want to pay your adviser. If your plan is a GFRP or GSIPP you must also complete the ‘Confirmation of adviser charges’ form (GFRP15).
- 3.3 You can give us instructions via your adviser. Or you can contact us directly. Our contact details are in section 7.
- 3.4 If you want to change your existing instructions, we must normally receive the new instructions at least 5 working days before the next adviser charge is due to be paid from your plan. If you want to stop an existing adviser charge we may ask you for a written instruction before we stop the charge.
- 3.5 If your home address has changed, you must notify us of your new address before giving us any instructions via your adviser for payment of adviser charges.

What we’ll send you

- 3.6 Each time that we set up a new adviser charge on your plan, amend an existing adviser charge or stop an existing adviser charge, we’ll send confirmation to you and your adviser. Any confirmation letter we send to you will be sent to your last known home address. However, if we’re stopping a charge for the reasons set out in section 4.6, we normally won’t send out a confirmation letter since we’ll already have warned you that we’d be stopping the charge if you and your adviser didn’t take action.

The confirmation letter won’t show details of any existing commission charges or fees that are being paid from your plan.

Action required

- 3.7 If you agree with the details of the adviser charges set out in our confirmation letter, you don't need to do anything. But if you think that the adviser charges set out in our confirmation letter aren't what you have agreed with your adviser, you should contact your adviser in the first instance.
- 3.8 If there has been an error in the adviser charges set out in the confirmation letter, you should contact us within 30 days of receiving the letter. If the error relates to an adviser charge which we have already paid from your plan and which should never have been deducted, we'll reverse the payment and reclaim the charge from your adviser. Once we do so, we'll no longer be responsible for paying that charge. If it's just the amount of the charge which is incorrect, we'll adjust the payment accordingly. This means that:
- if there's been an overpayment, we'll pay the difference back into your plan and reclaim the overpaid amount from your adviser, or
 - if there's been an underpayment, we'll deduct the difference from your plan and pay it to your adviser.
- 3.9 Section 3.8 doesn't apply if the adviser charges set out in our confirmation letter match the signed instructions you gave us, in a form or in a letter, for paying charges to your adviser.
- 3.10 If the confirmation letter referred to in section 3.8 relates to a change in the amount or frequency of an ongoing adviser charge, we won't reverse the ongoing adviser charges that have already been paid on the old basis.

If the confirmation letter referred to in section 3.8 relates to a change in the amount, frequency or end date of a regular initial adviser charge, we won't reverse the regular initial adviser charges that have already been paid on the old basis.

Disputes

- 3.11 We won't get involved in any dispute between you and your adviser. So if there's a dispute as to what you have actually agreed to pay your adviser from your plan, you and your adviser must resolve that dispute between yourselves.

4. Paying the charges

Method of paying

- 4.1 The adviser charges will be paid by the following means.
- If your plan is an AMPP, by taking money from the trustee cash account and then, if there's not enough money in the trustee cash account, by cancelling units.
 - If your plan is a GFRP, by cancelling units.
 - If your plan is a SIPP or GSIPP, by taking money from the trustee cash account and then, if there's not enough money in the trustee cash account, by cancelling units in your Standard Life investment policy funds.

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- 4.2 If your plan is a SIPP or GSIPP, you and your financial adviser are responsible for making sure that there's enough money in the trustee cash account or Standard Life investment policy funds to pay the adviser charges, taking account of any product charges which are due to be paid.

If part of your plan is in drawdown but the other part of your plan is still in a savings state and the adviser charge is being deducted at plan level, we'll take a proportion of the charge from both parts of your plan. Where the charge is being deducted from the trustee cash account, this proportion is the value of the 'additional investments' in the savings or drawdown part of your plan divided by the total value of the 'additional investments' in your whole plan. (By 'additional investments' we mean every investment except for your Standard Life investment policy funds.)

When we won't pay

- 4.3 The 'regular initial adviser charge' and 'initial adviser charge' apply at account level. If the account can't support the charge then we won't pay the charge.
- 4.4 The 'ongoing adviser charge' and the 'ad hoc adviser charge' apply at plan level. If the plan can't support the charge then we won't pay it.
- 4.5 If your plan is a SIPP or GSIPP and there's not enough money in the trustee cash account or in your Standard Life investment policy funds to pay the charges, we won't sell other investments in your plan to pay the adviser charges.

When we'll tell you

- 4.6 If we're unable to pay an adviser charge on a monthly charge date for one of the reasons set out in sections 4.3 to 4.5, we'll try again on the next monthly charge date. If we're still unsuccessful on that second monthly charge date, we'll contact you and your adviser. If you and your adviser don't take action to correct the problem (see section 4.7) and we're still unable to pay the charge on the third monthly charge date, we'll stop that adviser charge altogether.

Action required

- 4.7 If the value of the flexible account isn't large enough to support payment of a 'regular initial adviser charge' from it, the only way to facilitate the charge is to increase the level of the regular payments to the flexible account.

If the value of the plan isn't large enough to support an adviser charge, the only way to facilitate the charge is to make a new payment to the plan.

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If the plan is a SIPP or GSIPP and the plan or the account can support the charge but there's not enough money in the trustee cash account or in the Standard Life investment policy funds to pay the charge, the only ways to facilitate the charge are to sell other investments held under your plan and pay the proceeds into the trustee cash account or to pay more money into the plan.

Consequences of not taking action

- 4.8 If no action is taken in accordance with section 4.7 and, as a result, we have to stop a charge, we'll no longer be responsible for paying that charge. If your adviser is due any money for the advice they've already given you, you'll be responsible for paying that money to them.

This section also applies if the reason that the plan or account can't support the charge is because you've taken benefits from your plan or you've transferred all or some of your plan to another provider.

Once we've stopped paying a charge, we'll need a fresh instruction direct from you, or via your adviser, before we start paying that charge again from your plan.

Since it's not possible to restart the 'regular initial adviser charge' described in section 2.2 once it has been stopped, any fresh instruction we receive in relation to your regular payments must be for an 'ad hoc adviser charge' (see section 2.6) instead.

Cancelling your plan or payment

- 4.9 If you cancel your plan (or a new payment to your plan) during the regulatory 30 day cooling-off period, we'll reclaim any charges we have already paid to your adviser in relation to that plan (or that payment) and add these charges back into your plan before processing the cancellation. Once we do so, we'll no longer be responsible for paying those charges. If your adviser is due any money for the advice they've already given you, you'll be responsible for paying that money to them.

If you die

- 4.10 We'll stop paying any adviser charges when you die. Once we are notified of your death, we'll reclaim any adviser charges that we have paid out since your death and add them back into your plan before settling the death benefits.
- 4.11 If your plan is a SIPP or GSIPP and your dependant chooses income drawdown when you die, they can ask us to pay an 'ongoing adviser charge' as described in section 2.5 and/or an 'ad hoc adviser charge' as described in section 2.6 to their adviser.

Client money rules

- 4.12 Any money we deduct from your plan (or from your dependant's plan) to pay an adviser charge will not be treated as 'client money'. Once we deduct it from your plan, we'll be responsible for paying it to your adviser. Under the terms of business we have agreed with your adviser, this means that your adviser won't then be able to claim the charge directly from you, unless we subsequently refund it to your plan in accordance with section 3.8 or 4.9.

5. Change of adviser

Appointing a new adviser

- 5.1 If you appoint a new adviser, you must tell us if you want us to stop paying any adviser charges to your existing adviser. Since it is possible for more than one adviser to receive adviser charges from a pension plan, we won't assume that, by appointing a new adviser, you are also dismissing your old adviser. We'll therefore keep paying adviser charges to your old adviser until you instruct us to stop.
- 5.2 We must normally receive any instructions to stop paying an adviser charge to your old adviser at least 5 working days before the next adviser charge is due to be paid from your plan to your old adviser.

If your current adviser's firm is restructured or taken over by another firm

- 5.3 If your current adviser's firm is restructured or taken over by another firm, any adviser charges that you agreed with your current adviser will normally be carried forward automatically to the new or restructured firm. We won't need a fresh instruction from you if we are satisfied that:
- you have been notified of the change; and
 - the new firm has become responsible for providing the same ongoing service to you which you and your current adviser had previously agreed.

6. Changing or replacing these terms

- 6.1 We can make reasonable and appropriate changes to these terms (or issue a replacement set of terms and conditions in their place) at any time while these terms are in force:
- if the legal or regulatory requirements for paying adviser charges from your pension plan change; or
 - if decisions of the Financial Ombudsman Service need to be reflected in these terms; or
 - if new industry guidance and codes of practice need to be reflected in these terms; or
 - if it becomes impossible or impracticable, in our reasonable opinion, to carry out any of the terms as a result of a change in the law or regulation or other circumstances beyond our control; or
 - to reflect improvements that technological, service or propositional enhancements have allowed us to make; or
 - where such a change is not to your detriment, including to correct errors or omissions.

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- 6.2 Subject to section 6.3, we'll give you 3 months' notice before the change becomes effective. We'll provide you with a revised version of this document or just the amended terms, by post or by directing you to our website, unless the amendments made to these terms are immaterial or not to your detriment, in which case we'll notify your adviser.
- 6.3 Changes to these terms that are outside our control (e.g. a change in legislation) can take effect immediately. All other changes will take effect no earlier than 3 months from the date of our notification to you of the change. When we notify you of a change, we will state the reasons for the change and the date on which the change will become effective.

7. Our contact details

AMPP

0345 278 5626

ampp_customercentre@standardlife.com

Standard Life

AMPP Customer Centre

Edinburgh EH1 2DH

SIPP

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Standard Life

SIPP Customer Centre

Edinburgh EH1 2DH

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0345 606 0057

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Calls may be monitored and/or recorded to protect you and us and help with our training.
Call charges will vary.

There is no guarantee that any email sent to us will be received, or will not have been tampered with. You should not send personal details by email.

Find out more

Talk to your financial adviser for advice on how to plan for your financial future, or if you're ready to start, they'll give you the application form you need to set up your plan.

Call us on 0345 0845 000

(Mon-Fri, 9am to 5pm). Calls may be monitored and/or recorded to protect you and us and help with our training. Call charges will vary.

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