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KEY FEATURES OF THE

HALIFAX SELF-INVESTED PERSONAL PENSION (SIPP)

HALIFAX

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If you have a hearing or speech impairment, you can contact us using the Relay UK Service. This is available 24 hours a day, 7 days a week.

The Halifax Self-Invested Personal Pension (SIPP) is provided by Embark Investment Services Limited (EISL), which is a wholly owned subsidiary of Embark Group Limited and part of Lloyds Banking Group. EISL is a company incorporated in England and Wales (company number 09955930) with its registered office at 33 Old Broad Street, London, EC2N 1HZ. EISL is authorised and regulated by the Financial Conduct Authority (Financial Services Register number 737356).

Dealing and stockbroking administration services for the Halifax SIPP are provided by Halifax Share Dealing Limited (HSDL), which is a wholly owned subsidiary of Embark Group Limited and part of Lloyds Banking Group. HSDL is a company incorporated in England and Wales (company number 3195646) with its registered office at: Trinity Road, Halifax, West Yorkshire, HX1 2RG. HSDL is authorised and regulated by the Financial Conduct Authority (Financial Services Register number 183332). HSDL is a member of the London Stock Exchange and an HM Revenue & Customs Approved ISA Manager.

INTRODUCTION

The Financial Conduct Authority (FCA) regulates financial services firms and financial markets in the UK. It requires Halifax to give you this important information to help you to decide whether this SIPP is right for you. Please read this document carefully so that you understand what you're buying, and then keep it safe for future reference.

A SIPP is a personal pension that offers you a tax-efficient and flexible way of saving and investing for your retirement. This document explains the key features of the SIPP and how it's operated and administered.

The SIPP is made up of two parts:

1) A tax wrapper - provided by **Embark Investment Services Limited (Embark)**. Embark is the pension operator and scheme administrator of the SIPP (please refer to the 'Important Information' section for further details).

2) A Halifax Share Dealing account – an online investment service provided by **Halifax Share Dealing Limited (HSDL)**, which facilitates all trading.

SCOTTISH WIDOWS

We're all part of Lloyds Banking Group which incorporates many well-known companies including Halifax, Scottish Widows, Halifax Share Dealing Ltd and Embark Investment Services Ltd. Our retirement partner for this SIPP is Scottish Widows, who have more than 200 years' experience in pensions and retirement.

ITS AIMS

The main aims of the SIPP

- enable you to save for your retirement in a tax-efficient way.
- allow you to pay into your SIPP by making regular contributions, one-off lump sum contributions and/or transferring in the value of other pensions.
- provide you with a wide range of investment options to suit your risk appetite, goals and objectives
- permit you to access your pension benefits from normal minimum pension age, and to choose one or more ways of taking an income and/or lump sums to meet your retirement needs.

YOUR COMMITMENT

What do you need to do?

Please take time:

- To read the information in this document about this SIPP, including its features and risks. These are there to help you decide if this product is right for you.
- Plus, read any other documentation we provide or make available to you.
- Understand that you are responsible for the investment decisions made within your SIPP.
    - A SIPP is aimed at customers who want to make their own investment decisions, and actively manage their own investments through to retirement and beyond.
    - We also provide an investment option called the 'Start-Up' fund, which may be suitable for customers who are looking for a managed, packaged investment solution.
    - If you're unsure about any aspect of investing, or your circumstances change, we recommend you seek advice from a qualified financial adviser.
- To regularly review your SIPP, including your contribution levels and investments – this will help ensure the product is still meeting your needs.
- You should view your SIPP investments as being for the medium to longer term.
    - To leave your SIPP invested until at least normal minimum pension age (NMPA) which is 55 but will rise to 57 from 6 April 2028.
    - If you think there are medical reasons why you can retire earlier than this age, or if you receive a terminal diagnosis of 12 months or less, please contact us immediately and we'll explain the process and your options.
    - There's no maximum age to access your SIPP, so you can leave it untouched and invested as long as you want.
- Make sure there's enough uninvested cash in your SIPP to cover regular or one-off charges, and/or any retirement benefit payments (if applicable).
- You are responsible for understanding the impact of any transfers in from other pensions into your SIPP, including features or benefits that you might lose on transfer (refer to the 'Transfers' section).
- Please make sure we always have up-to-date information about you.
    - If you move house, change your name or country of tax residence, you must update this immediately in your Online Banking or Mobile Banking app.
    - It's important that you inform us immediately if you're moving abroad, as you may no longer be eligible to make payments into your SIPP.
    - Please make sure you provide us with an email address you regularly access, as we'll use this to contact you from time to time.
- You must tell us within 30 days if you're no longer entitled to tax relief on your contributions.
- It's your responsibility to make sure payments made into your SIPP fall within HMRC limits (refer to the 'How are my pension contributions affected by tax?' section).

RISKS

Here's a summary of several things to consider:

Risks of cancelling:

- If you opt to cancel your SIPP after making a payment or transfer from another provider within the 30 days cancellation period, you could get back less than you invested.

Risks of transferring:

- If you transfer money into your SIPP from another pension, the final pension benefits you receive could be less than if you stayed in your existing scheme. You need to decide whether a transfer is in your best interests and check if you are potentially giving up valuable features or benefits (such as 'enhanced protection' or 'fixed protection'). Refer to the 'Transfers' section for more information.

Risks to investing:

- Halifax Share Dealing Limited (HSDL) provides the investment services for your Halifax SIPP. We'll act on your instructions to deal in a range of investments, but we'll not give you financial advice.
- The value of your SIPP depends on the level of risk and potential performance of the investments you choose. Investment performance can go down as well as up and you may get back less than you originally invested.
- Past performance is not a guide or guarantee of how investments will perform in the future. Some investments may need to be held for longer term to achieve a return.
- Investment returns may be less than those shown on any projected illustrations of benefits you receive, and charges may be higher.
- If the value of your SIPP is small and you deal regularly in smaller amounts, dealing costs could be disproportionately high and erode the value of your SIPP.
- Some investments carry a higher degree of risk than others. Such as:
    - Smaller companies - prices can be more volatile and there may be a large difference between buying and selling prices.
    - Overseas investments - they carry an exchange rate risk and may be based in less well-regulated jurisdictions.

Risks to your retirement benefits:

- Your retirement benefits are not guaranteed. If you opt to reduce or stop payments into your SIPP, or access your benefits earlier than planned, your retirement income could be less than you expected, and you may not get back the full amount you invested.
- Your SIPP value may not be large enough to provide income for as long as you intended, particularly where you take a higher than planned level of income (for example as a flexi-access Drawdown) over a long period of time.
- If you take a large proportion of income in a short period, you may end up paying a higher rate of tax than usual. Refer to the section 'Retirement and Accessing Your Benefits' for more information.

Some other key risk factors to consider:

- Tax rules may change in the future without notice, impacting applicable tax relief.
- Inflation will reduce the buying power of any money you've saved, over time. For example, if inflation is 2% p.a., then in 20 years' time, £10,000 will buy only the same as £6,729 buys today.
- Interest rates can change at any time.
- Annuity rates at the time you take your benefits could be lower than expected.
- Any charges we take will affect the value of your SIPP. These charges may vary from time to time. If we can't take charges or other payments from your SIPP due to insufficient cash, we may ask you to sell some of your investments to meet these. You can find more information about our charges and how we apply them in the 'Charges' section.
- If you receive means-tested benefits, taking an income from your SIPP might mean these benefits reduce or stop.

If, after reading this, you have any doubts about the suitability of this SIPP or need advice, please contact a qualified financial adviser. Please refer to the section 'Where can I get financial advice?'.

QUESTIONS & ANSWERS

Eligibility

Could this SIPP be right for me?

This SIPP is suitable for people who:

- are aged between 18 and 74;
- are a UK resident and UK taxpayer; are **not** a resident of the Channel Islands (Jersey, Guernsey or the Isle of Man); are **not** a US Person as defined by the US Internal Revenue Service (available on **www.irs.gov**)*;
- are willing to invest over the medium to long term, and understand they can't normally take out money until at least age 55 (or 57 after 6 April 2028);
- want to benefit from immediate tax relief on personal payments, subject to Government limits;
- feel confident enough to make their own investment decisions, want access to wider investment options (such as stocks and shares), and understand and accept any associated risks including that growth is not guaranteed;
- want flexibility on how and when to take retirement benefits.

* Note: It's important you inform us if you're moving out of the UK, as you may no longer be eligible to make payments into your SIPP.

Please refer to the Halifax SIPP Terms and Conditions for further information on eligibility.

Please note, this SIPP is not a stakeholder plan. Stakeholder plans are relatively simple pensions with limited investment options. They are generally available and may also meet your needs. Halifax does not offer a Stakeholder plan.

We can't give you advice. If you're in any doubt about the suitability of this SIPP for you, we recommend you contact a suitably qualified financial adviser.

Contributions

What contributions can I pay into my SIPP?

Regular and one-off contributions

Your SIPP can accept the following regular monthly and/or one-off contributions up to age 75**:

- personal contributions, payable by monthly Direct Debit; faster payment (or internal bank transfer); or by debit card (using your Online Banking or Mobile Banking app).
- employer contributions*, from a certified business account of a limited company, payable by monthly Direct Debit or a one-off payment by direct debit.

* you must be the limited company business owner or one of the directors and receive authorisation from any other majority business shareholder(s).

We won't accept contributions from a third party (such as your spouse, parent or grandparent) or from any other employer. We only accept 1 regular Direct Debit payment to be set up at a time

Transfer payments

Your SIPP can also accept transfers from UK registered pension schemes.

Are there any minimum or maximum contribution levels?

A minimum amount of £1 is set across all contribution types. There's no maximum amount you can pay into your SIPP.

However, there are limits on the amount of payments that are eligible for tax relief (refer to the section 'How are my payments affected by tax?').

**You can contribute into your SIPP up until the age of 75, at which point any regular contributions (either personal or company) will automatically stop. You can still transfer in other pensions beyond the age of 75.

QUESTIONS & ANSWERS (CONTINUED)

Tax

How are pension contributions affected by tax?

Tax relief:

- If you're under the age of 75, and eligible to receive tax relief, the Government will top up an amount equal to the UK basic rate of tax (currently 20%) to each personal contribution you make.
- If eligible, we'll automatically add an amount equivalent to the basic rate of tax to your SIPP when you pay into it. We then claim this amount back from HM Revenue and Customs (HMRC).
- Personal contributions will only attract tax relief on an amount of £3,600 (including the applied relief) or 100% of your UK relevant earnings if greater.
- If you don't have any UK earnings, you can still pay contributions up to £3,600 (gross) and receive tax relief.
- If you're a higher-rate or additional-rate taxpayer, or your basic rate is higher than 20% (if you live in Scotland), you can claim extra tax relief on your personal contributions directly from HMRC as part of your annual tax return. We do not add this additional relief to your SIPP.
- You won't receive tax relief on any transfers into your SIPP, or on limited company employer contributions.

Important note – You must tell us within 30 days if you're no longer entitled to tax relief on your personal contributions.

The Annual Allowance:

- The Government sets a limit on the amount you can contribute tax-efficiently into all of your pensions in each tax year. This is known as your Annual Allowance.
- The current Annual Allowance is £60,000, but there are circumstances when this may be lower. Your Annual Allowance is likely to reduce if you're a high earner (referred to as the Tapered Annual Allowance).
- If you've flexibly accessed any of your pensions and triggered the Money Purchase Annual Allowance (MPAA), this will also limit the tax relief on your payments

  If this applies to you, your pension provider will have let you know.
- Where total payments across all your registered pension schemes made by you, or on your behalf (inc. employer contributions), exceed your Annual Allowance in any given tax year, you'll have to pay a charge on the excess (known as Annual Allowance charge).

Carry-forward:

If you exceed the Annual Allowance, you can "carry forward" any leftover Annual Allowance from the previous three tax years.

If you carry forward previous Annual Allowances and still exceed the Annual Allowance, you'll have to pay a tax charge on the excess.

If you flexibly access your pension benefits, you can't carry forward Annual Allowances from previous tax years as you have triggered the MPAA.

Important note – It's your responsibility to ensure payments into your SIPP fall within HMRC limits.

Do I pay UK tax on any dividends, interest distributions or capital gains within my portfolio?

No, there's no UK tax to pay on any dividends, interest distributions or capital gains. Tax may be payable on overseas investments.

QUESTIONS & ANSWERS (CONTINUED)

Transfers

Can I transfer my existing pension into my SIPP?

Your SIPP can accept transfers from UK registered pension schemes.

However, it cannot accept certain types of transfers, including:

- Safeguarded benefits, such as defined benefit or final salary pensions, guaranteed minimum pensions (GMP), section 9(2B) rights, or pensions with guaranteed annuity rates (GAR) or guaranteed conversion options (GCO);
- transfers from pensions already in Drawdown;
- transfers from pensions currently subject to bankruptcy orders or pension (divorce) earmarking orders;
- 'disqualifying' pension credits from a pension sharing (divorce) order,
- Block transfers.

If your existing pension includes an entitlement to Protected Tax-Free Cash or a Protected Pension Age, we'll ask your transferring provider to make you aware, as this feature will be lost upon transfer.

Can I transfer other SIPP investments to this SIPP?

Yes, these are known as 'investment transfers' (or 'in-specie' transfers). This is when you move your pension investments (such as shares, funds, bonds etc.), plus any cash element, to your new SIPP in their current form without having to be sold first.

Things to consider:

- All assets will stay invested when transferred but you won't be able to trade until the transfer completes.
- If we don't offer an investment that you currently hold, we'll contact you to discuss options and alternatives.
- If we hold a different fund class than the one you plan to transfer, or it's bespoke to your current provider, it will be necessary to first convert your fund into a class that we can transfer. This could be cheaper or more expensive.
- Once transferred, we'll make sure your investment is in the cheapest fund class we have.

Please note – We don't charge for transfers. However, your existing pension provider may apply a penalty, or other reduction, if you transfer it away. It's always worth checking this.

Transfers can take some time for us to receive the transfer payment from your existing provider(s). Cash only transfers are generally quicker, but a transfer of investments (in-specie) can take a few weeks depending on the asset type(s) and complexity. We'll keep in contact with you throughout the transfer process.

Can I transfer this SIPP out to another pension plan?

Yes, you can transfer your SIPP to another UK registered pension scheme, or Qualifying Recognised Overseas Pension Scheme (QROPS), at any time.

We'll carry out a check against your Overseas Transfer Allowance (OTA) before the transfer payment is made.

OTA limits the amount of UK pension savings that can be transferred to a QROPS

If you transfer more than your allowance, there will be a charge of 25% on the excess.

The transfer can be an investment transfer (in-specie) or cash only. If you want to transfer as cash only, you'll have to sell all investments before you request the transfer away.

If you've started taking benefits from your SIPP, you must transfer the whole flexi-access Drawdown element to your new scheme. If funds are 'uncrystallised' (no benefits have been taken), you can transfer all, or part, to another pension scheme.

We won't charge you for transferring out of this SIPP.

QUESTIONS & ANSWERS (CONTINUED)

Investments

What can I invest in?

With the Halifax SIPP, you have flexibility in choosing from various investment options within your Share Dealing account, including:

- UK and international shares
- Exchange Traded Funds (ETFs)
- Funds
- Bonds
- Gilts
- Investment Trusts

If you don't know what to invest in, we also offer a 'Start-Up' fund. This is a target-dated fund (TDF) provided by BlackRock. Your money is invested into a mix of different types of stocks, bonds and other investments, targeting the year you plan to access your money. Changes to the underlying asset allocation are automatically made by the fund manager, with the aim to de-risk and protect capital the closer you get to your target retirement date. Our 'Start-Up' fund is designed for a typical customer, looking to take benefits flexibly at retirement through flexi-access Drawdown, but isn't personalised to you. Find out more at **halifax.co.uk/SIPP-startupfund**.

You can invest a lump sum amount or set up a regular investment plan to invest monthly.

You can change your investments at any time.

If you decide to access your benefits through flexi-access Drawdown, our range of Investment Pathways are also available to you. You'll receive more information on this the closer you get to your chosen retirement age.

Is there anything I can't invest in?

The Halifax SIPP doesn't offer investments in the following:

- directly into commercial or residential property
- in insurance company bonds
- in unquoted company shares
- in personal chattels
- loans
- gold bullion

This isn't an exhaustive list. Details on your investment options are available online at **www.investments.halifax.co.uk** to help you choose investments along with lots of useful information, market research and tools.

QUESTIONS & ANSWERS (CONTINUED)

Managing your SIPP

How do I trade?

When you open your Halifax SIPP, you can trade your SIPP investments through Online Banking or your Mobile Banking app.

You can also instruct a trade over the phone by calling us on **0345 835 5391**. Our trading line is open Monday – Friday 8am to 9pm. Calls may be recorded for training purposes.

Important note: Please refer to the section 'What are the SIPP charges?' for details of the telephone dealing charge.

How do I manage my SIPP?

In Halifax Online Banking or your Mobile Banking app, there are two places you can view your SIPP within your accounts:

Manage your SIPP – This is where you'll:

- View a summary of all payments, including any pending transactions (such as Transfers)
- Check for important messages about your SIPP
- Top up or change your pension contributions
- Initiate transfers from other pensions
- Access key documents about your SIPP (within 'View Documents' or 'Product Literature')
- Add or change your beneficiaries
- Find further information about accessing your benefits and how to take income at retirement

Share Dealing – This is where you'll:

- View the overall valuation across all your investments
- Trade your investments
- See your SIPP alongside any other Share Dealing accounts you might have with us
- Make trading account changes
- View applicable charges and manage the amount you hold in cash
- View your trading statements and important information relating to your investments and Share Dealing accounts

Please note - payments received into your SIPP will usually be available to trade within three working days.

Where can I view a valuation of my SIPP?

You can see a current valuation of your SIPP anytime by logging into your Online Banking or Mobile Banking app online. We'll also provide you with a statement and valuation at least quarterly.

Can I get an illustration?

When you open your SIPP, we'll give you an illustration with details of the potential benefits and costs based on a set of assumptions (this isn't personalised to you). We'll also issue an annual pension statement and illustration.

Each time you decide to take benefits, you'll receive an illustration from us.

QUESTIONS & ANSWERS (CONTINUED)

Charges

What are the SIPP charges?

Full details of the current charges and rates that apply to your Halifax SIPP can be accessed at **halifax.co.uk/SIPP**.

You can also find them in the 'Costs and Charges' document in the Product Literature section of 'Manage your SIPP'. You can access this through your Online Banking or Mobile Banking app.

The charges are reviewed regularly and could change in the future. The charges include:

- **An annual SIPP administration charge of 0.25%:**
  - This is the charge for providing the pension administration services.
  - It's a percentage-based charge based on the overall value of your SIPP investments and is capped at £16.50 a month (£198 a year).
  - The charge is based on the value of your SIPP investments on the last business day of the month and excludes any uninvested cash held.
  - We'll collect the charge monthly, from available money held within your SIPP, usually within five business days of the end of the month*.
  - If you close or transfer your SIPP part way through a month, the SIPP administration charge won't be payable.
- **Dealing charges:**
  - These are the charges for buying and selling your investments.
  - Dealing charges are taken directly from available cash in your SIPP*.
  - This is normally what you'll pay if you trade:
    - Online UK Shares and Funds - £9.50 per trade (discounts could apply)
    - International Shares and Funds – Nil (1.25% Foreign Exchange rate still applies)
    - Telephone dealing - £25.00 (discounts could apply)
    - Setting up a regular investment - Nil
- **Fund Charges:**
  - If you invest in a fund, you'll also pay annual ongoing charges and transaction costs to the fund manager. This is for managing and operating the fund, including buying and selling other assets that the fund invests in.
  - Fund managers take the charge from the value of the fund.
  - The amount varies, depending on what you've invested in. Typically, ongoing charges could be between 0.25% to 1.5%, and transaction costs around 0.5%, of your investment. Before you invest, you can view exact costs in the specific fund information document.

* **Important:** Please make sure you always have enough uninvested cash in your account to cover all regular or one-off charges. We may ask you to sell some of your investments to meet these.

There are no additional charges for accessing your benefits in flexi-access Drawdown, transferring in or away.

What rate of interest will I receive on my SIPP?

- Embark uses a banking partner for transactional banking purposes. All SIPP money passes through a central account and can sometimes be held there, legitimately, for a short period of time. No interest is paid to customers in relation to balances held on this account.
- When money is received into your Halifax Share Dealing account within your SIPP, you'll receive interest on any cash balances of £1 or above:
  - Providing the Bank of England Base Rate stays higher than 0%.
  - Interest is calculated daily and paid gross yearly in March. The interest rate payable on this SIPP is variable, but you can view our current rates at **halifax.co.uk/SIPP-explained**.
  - On termination of your SIPP, any interest due will be paid pro-rata to this date.

QUESTIONS & ANSWERS (CONTINUED)

Do you keep any interest?

Yes.

Embark operates a centralised transaction account where all SIPP payments in and out flow through. Interest rates paid by our banking partners can change. Embark retains all interest earned on the short period monies are held in this account.

All uninvested cash is held in a central HSDL client money account. Money is held in line with Financial Conduct Authority (FCA) rules, for your protection. HSDL receives interest on this central account from their banking partners. The interest rates vary depending on the total balance held across all accounts and market interest rates. Some of this interest is passed to our customers and you can view the current rates on our website. For 30-day cancellations, any potential interest earned on uninvested cash will be fully retained by HSDL. Any interest that HSDL retains is to develop products and services, and in some instances may be paid to charity.

Retirement and accessing your benefits

When can I take my benefits?

You can usually start taking you retirement benefits from the normal minimum pension age (NMPA) which is 55 but will rise to 57 from 6 April 2028.

It may be possible to access your benefits earlier if:

- We receive formal medical evidence for serious ill health, or if you receive a terminal diagnosis of 12 months or less.
- You are otherwise entitled to an earlier Protected Pension Age.

What are my options for taking my benefits?

When you approach your chosen retirement age, we'll let you know what your options are, including:

- leaving it invested, and untouched, as long you like.
- converting your investments into retirement income by buying an annuity from an annuity provider and taking a 25% tax-free lump sum.
- taking a 25% tax-free lump sum (known as a pension commencement lump sum, or PCLS) and, when you're ready, using the remainder to draw a flexible income directly from investments in your SIPP (flexi-access Drawdown).*
- taking part or the full value of your SIPP where 25% of the payment is tax-free (known as an Uncrystallised Funds Pension Lump Sum or UFPLS)
- further information can be found within the 'Retirement Guide' document.

Different levels of taxation will apply to each option.

Any benefits you take must be paid in Pound Sterling, to a UK bank account or building society.

* Important note – Please make sure there's enough uninvested cash in your SIPP to cover the required lump sum(s), one-off, or regular income payments. Your benefit payments will be delayed if not.

When processing your requested withdrawal amount, we'll reserve an additional 1% to cover pending transactions and investment fluctuation. During this period the cash will not accrue interest. Once your final payment has been processed, any excess will be returned to cash within your trading account.

QUESTIONS & ANSWERS (CONTINUED)

Where relevant, you'll also have to tell us about:

- your available Lump Sum & Death Benefit Allowance. (LSDBA)
- your lifetime allowance (LTA) usage if you took benefits before 6 April 2024 and
- whether you registered with HMRC for any form of transitional protection for your benefits.

We start issuing these comms from age 50 and then periodically thereafter with a summary of your options and details of where to find out more information. We also have a helpful guide on retirement which you can find in the 'Product Literature' tab in 'Manage your SIPP'.

How are retirement benefits affected by tax?

You can normally take up to 25% of the value of your pension as one or more tax-free Pension Commencement Lump Sums (PCLS). The rest of the value of your pension will be subject to income tax.

HMRC applies limits to the lump sum(s) you can take tax-free from all of your pension plans:

- **Lump Sum Allowance (LSA)** – The current limit is £268,275, unless you are entitled to pension protections. Your tax-free Pension Commencement Lump Sum (PCLS) is limited to 25% of your pension value, up to a maximum of the LSA.. Your available LSA will be reduced by any relevant lump sums you've taken from this or other pension plans.
- **Lump Sum and Death Benefit Allowance (LSDBA)** – The current limit is £1,073,100, unless you are entitled to pension protections. Your available LSDBA will be reduced by any relevant lump sums you've taken from this or other pension plans.

Please note that this does not include any state retirement pension, State Pension credit or dependant's pension you may be entitled to.

HMRC rules and limits may be different when you come to take your benefits.

Where can I go to get guidance or financial advice about my benefit options?

Impartial guidance:

Pension Wise from MoneyHelper – the Government's free guidance service – offer personalised guidance about available options and tax implications. It also gives tips for shopping around for the best deal. You can find further information about the help they offer, or make an appointment with them, by going online at **moneyhelper.org.uk/pensions**.

Financial advice:

For advice that is personalised to your own circumstances, you can speak to a financial adviser. They'll normally charge you for any advice they give. If you don't have a financial adviser, you can visit **unbiased.co.uk** or **vouchedfor.co.uk** to find one near you.

Death benefits

What happens when I die?

On notification of your death, any regular payments and/or withdrawals will stop.

Any investment held in your Halifax SIPP will remain unchanged. Investments will be subject to market movement until we receive the required documentation from your Legal Personal Representatives, allowing us to distribute any proceeds.

We'll consider any beneficiaries you nominate. You can add or change your beneficiaries at any time in 'Manage your SIPP', within your accounts overview on Online Banking or Mobile Banking app. It's very important that you do this, as we'll normally use this information to decide who to pay the benefits to and how much each person will receive.

Your beneficiaries can choose to receive the benefits in one of the following ways:

- as a cash lump sum
- as a guaranteed yearly income, using the benefits to buy an annuity from an annuity provider, or
- as a flexible income, by setting up a Beneficiary Drawdown either with us, if the beneficiary already has Online Banking or the Mobile Banking app, or by transferring away to another SIPP provider.

QUESTIONS & ANSWERS (CONTINUED)

We'll write to your beneficiaries setting out the options available to them. These benefits may be taxed. However, this will depend on your circumstances at the time of your death. Lump sums paid on death are normally free of any Inheritance Tax (IHT). From 6 April 2027 most unused pension funds and lump sum death benefits will be included in the value of the deceased's estate for IHT purposes, regardless of trustee discretion.

If you die before age 75 years, cash lump sum death benefits will normally be paid free of tax. This is on the condition the payment occurs within 2 years of notification of death, and it's within your available Lump Sum Death Benefits Allowance (LSDBA).

This LSDBA is reduced by Relevant Benefit Crystallisation Events (RBCEs) – effectively, withdrawals already taken from the pension before death. Please note that small pot pensions do not use up LSDBA.

Any excess over the allowance is subject to income tax at the beneficiary's marginal rate. Death benefits paid as pension income are not subject to the LSDBA.

If you die on or after your 75th birthday, your benefits will be subject to tax normally at the beneficiary's marginal tax rate. If a lump sum is paid to a trust when death occurs over 75, it will be taxed at 45%.

In some circumstances, there may be a delay in passing the benefits on to your beneficiaries due to the type of investments held. For example, if an investment is suspended from trading.

Divorce

What happens to my SIPP if I get divorced?

There are different options to split pensions as part of a divorce or dissolution settlement. This includes a Pension Sharing Order (PSO), which is a legal agreement to 'split' a pension at the time of divorce. The person who receives a share of the pension can either become a member of their former partner's pension scheme or transfer their value to another pension (with the same or a different provider).

When we receive the appropriate official court order, and other documentation relating to either pension splitting or pension sharing, we'll be in touch to explain the process. For transfers to a SIPP or other pension in your former partner's name, we may ask you to sell all, or part of, your investments to cover the required transfer amount. This will be fulfilled as a cash-only transfer. Investments transfers (or in-specie transfers) are not possible for this scenario.

Cancellation

What if I change my mind?

If you change your mind, you can cancel your SIPP within 30 days of the date you receive our letter confirming it is open. We'll return what was paid in, less any fall in the value of investments you've purchased during the cancellation period and any applicable costs, such as dealing charges and Stamp Duty. You'll need to sell the investments before we can complete the cancellation.

Cancellation rights also apply to additional transfer in payments.

And on the first occasion you take taxable pension benefits you move part of or all of your pension benefits into flexi-access drawdown, you'll have 30 days to exercise your right to cancel from the date you recieve our letter acknowledging the transfer or setting up the benefits. Please note that if you cancel a transferin, the other provider could refuse to accept the return of the transfer money.

Important to Know

You cannot cancel any pension commencement lump sum (PCLS) you've taken.

If you cancel your drawdown arrangement, you'll need to use its value to provide relevant pension benefits, normally within six months. Otherwise HM Revenue & Customs will treat the PCLS as an unauthorised payment, which will normally result in tax charges.

There is no option to cancel an Uncrystallised Funds Pension Lump Sum (UFPLS) or small lump sum payment.

QUESTIONS & ANSWERS (CONTINUED)

What if I have a complaint?

There are different routes you can follow to make a complaint.

- Speak to us first

Customer satisfaction is important to us. However, if you're unhappy with the way you've been treated, you always have the right to complain. You can write to us, or call, at the address and number below:

The SIPP team
Lloyds Banking Group
12 Wellington Place
Leeds
LS1 4AP

Phone: **0345 835 5391**

Available Monday – Friday 9am to 5pm. Calls may be recorded for training purposes.

- Speak to the Financial Ombudsman Service (FOS)

If you're not happy with our response, you can raise your issue to FOS, using any of the contact methods below. This is free of charge.

Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Phone: **0800 023 4567**
Email: **complaint.info@financial-ombudsman.org.uk**
Website: **financial-ombudsman.org.uk**

- Speak to The Pension Ombudsman

If your complaint relates to the processing of your SIPP, you could raise your issue free of charge to:

Pension Ombudsman
10 South Colonnade
Canary Wharf
London E14 4PU

Phone: **0800 917 4487**
Email: **enquiries@pensions-ombudsman.org.uk**
Website: **pensions-ombudsman.org.uk**

Note: Making a complaint won't affect your right to take legal action later on.

Advice

Where can I get financial advice?

We operate an execution only (or 'non-advised') service, so we can't give you advice on tax or financial services matters.

For independent and impartial advice that is personalised to your own circumstances, you can speak to a financial adviser. They'll normally charge you for any advice they give. If you don't have a financial adviser, you can visit **unbiased.co.uk** or **vouchedfor.co.uk** to find a list of advisers near you.

Alternatively, our partners Lloyds Wealth could help, and you can book a free initial consultation with them at **Wealth Management/Lloyds Bank** To qualify for advice from Lloyds Wealth, you'll need to have: £100,000 in savings, investments and/or personal pensions, and/or £100,000 of sole annual income. Fees and charges may apply.

QUESTIONS & ANSWERS (CONTINUED)

Other important information

What rules govern this SIPP?

The SIPP forms part of the Embark Personal Pension Scheme (the "Scheme") which is governed by a Trust Deed and Scheme Rules, amended from time to time. A copy of the Trust Deed and Scheme Rules is available in your 'Product Literature'.

Embark Trustees Limited is the Trustee of the Scheme.

Where can I see full Terms and Conditions?

This document provides information on the key features of this SIPP. It does not include all the definitions, exclusions and Terms and Conditions. You can find full details of these in the Halifax SIPP Terms and Conditions document. An electronic copy of this can be found in the 'Product Literature' tab in your 'Manage your SIPP' inbox.

We have the right to make changes to the Terms and Conditions. If this happens, we'll let you know what the changes are. Any updates will be added to your 'Product Literature' tab.

In the event of a conflict between the Terms and Conditions and this Key Features Document, the Terms and Conditions shall prevail.

Are there any compensation arrangements covering my SIPP?

Yes, HSDL and EISL are both authorised by the Financial Conduct Authority (FCA), which means your account is covered by the Financial Services Compensation Scheme (FSCS). The FSCS provides compensation if an authorised financial services firm—such as EISL or HSDL—can no longer meet its financial obligations. Compensation limits apply per person, per firm, and per claim category.

If HSDL or EISL were to Fail

It's very unlikely, but if either HSDL or EISL were to fail, you may be able to claim compensation of up to £85,000 for any loss of investments held with them.

During the contribution process, your money is briefly held with EISL while it moves from your bank account into your SIPP. Once it reaches your SIPP, it is held with HSDL.

It's unlikely you would ever need to make an FSCS claim. Your cash and assets are held by independent third party custodians and client money banks on a fully segregated basis, in line with FCA Client Money and Asset rules. This means your money and investments remain protected even if a firm were to fail.

If a Client Money Bank Were to Fail

If one of our banking partners where your client money is held is unable to meet its financial obligations, you may be eligible to claim up to £120,000 in compensation.

For more details about eligibility and FSCS compensation limits, you can visit **fscs.org.uk**.

HOW TO CONTACT US

If you need any help or have any questions about your SIPP, you can contact us using the details below.

The SIPP team
Lloyds Banking Group
12 Wellington Place
Leeds
LS1 4AP

Phone: **0345 835 5391**

Available Monday – Friday 9am to 5pm. Calls may be recorded for training purposes.

Important

The information in this document is based on EISL's understanding of current law, practice and taxation, which may be subject to change. Full details of the legally binding contract in respect of your SIPP are in the SIPP Terms and Conditions. The law of England and Wales will apply in all legal disputes.

The Halifax Self-Invested Personal Pension (SIPP) is provided by Embark Investment Services Limited (EISL), which is a wholly owned subsidiary of Embark Group Limited and part of Lloyds Banking Group. EISL is a company incorporated in England and Wales (company number 09955930) with its registered office at 33 Old Broad Street, London, EC2N 1HZ. EISL is authorised and regulated by the Financial Conduct Authority (Financial Services Register number 737356).

Dealing and stockbroking administration services for the Halifax SIPP are provided by Halifax Share Dealing Limited (HSDL), which is a wholly owned subsidiary of Embark Group Limited and part of Lloyds Banking Group. HSDL is a company incorporated in England and Wales (company number 3195646) with its registered office at: Trinity Road, Halifax, West Yorkshire, HX1 2RG. HSDL is authorised and regulated by the Financial Conduct Authority (Financial Services Register number 183332). HSDL is a member of the London Stock Exchange and an HM Revenue & Customs Approved ISA Manager.

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