



Key Features of the MES Adviser SIPP II

The Financial Conduct Authority is the financial services regulator in the UK. It requires us, MES Financial Services Limited to give you this important information to help you to decide whether the MES Adviser SIPP II is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

You should read this Key Features Document along with the Illustration, SIPP Charges Schedule and Terms and Conditions so you understand the current charges, risks and benefits of investing in the MES Adviser SIPP II.

Aims

The MES Adviser SIPP II aims to do the following:

- Help you save tax efficiently for your retirement by paying contributions or transferring pensions from other providers
- Give you the freedom to choose from a wide range of investments, invest your pension pot where you choose and manage your portfolio yourself
- Provide you with an income (in the form of lump sums and/or regular income) when you decide the time is right
- Provide your chosen beneficiaries with lump sums and income upon your death

Your commitment

When you open a MES Adviser SIPP II, you commit to do the following:

- Before you open a SIPP with us, make sure you understand the features, benefits and risks to confirm that it meets your needs and expectations
- You must maintain an ongoing business relationship with a financial adviser registered with MES Pensions. As part of that relationship, you must decide on the contributions and transfers to be paid to your SIPP. You must agree and regularly review your investment strategy, and you must decide not only when to take benefits from your SIPP, but also the level of those benefits
- Take responsibility for deciding how your SIPP is invested
- Make sure the regular or single contributions you pay into your SIPP are enough to meet your needs in retirement
- Agree to be bound by our SIPP terms and conditions
- If you transfer benefits into your SIPP from another pension scheme, you and your adviser will be responsible for arranging the transfer from that scheme.
- Wait until age 55, increasing to age 57 from 2028, before taking money from your SIPP. Only in rare instances (e.g. serious ill health) is earlier access allowed
- Agree to pay the charges associated with your SIPP, and keep enough cash in your SIPP to cover these ongoing charges

Risks

The risks associated with your SIPP fall into three main categories. These are the money you pay in, the investments you make and the money you withdraw. We explore them in turn below.

When deciding whether our SIPP is right for you, you should also consider the effect that risk factors beyond your control may have on your pension plans. These include the tax relief available, inflation, interest rates, annuity rates and charges. For further information, please speak to your financial adviser.



Payments to your SIPP

- When you transfer a pension from another provider to your SIPP, particularly a final salary pension, you may give up guarantees over the way you access your pension, the amount you receive and any increases that apply to your pension in the future. Transferring out of final salary pension schemes will usually result in you being worse off, even if you are offered an incentive to transfer. You should seek advice from your financial adviser before transferring. We can only accept transfers containing safeguarded benefits (including defined benefits pensions) with a value in excess of £30,000, if you have received advice which resulted in a positive recommendation to transfer. There is no guarantee that you will be able to match the benefits that you give up by transferring your pension to us
- When transferring your pension to your SIPP, your existing provider may apply a penalty, or a reduction to the value of your pension
- The amount you pay into your SIPP will affect the eventual size of your pension. If you delay paying into your SIPP, your investment growth may be lower as a result
- The rules relating to the tax relief you receive on contributions may change in the future

Investments within your SIPP

- The value of the investments in your SIPP and the income you receive from them can fall as well as rise. That means you may get back less than the amount you invested
- Past performance is not an indication of future performance. Some investments need to be held for the long term before you achieve a return
- If the value of your SIPP is small and/or you deal frequently in small amounts you may pay disproportionately high dealing charges, eroding the value of your SIPP
- The capital gains and income tax rules may change in the future
- Your investment returns may be lower, and the charges may be higher, than indicated by any illustrations you receive
- We do not provide investment advice as this is an execution only service. We do provide information about investments, but this is provided solely to enable you and your adviser to make your own investment decisions. It must not, therefore, be treated as a recommendation. If you need advice to determine whether an investment is suitable for you, you must consult your adviser

Withdrawals from your SIPP

- If you start accessing your pension earlier than you originally intended, the amount you can take may be lower than expected and may not meet your retirement needs
- The pension you receive from your SIPP is not fixed and isn't guaranteed for life. If a guaranteed retirement income is important to you, you should consider buying an annuity
- If investment returns are poor and you take a high level of income, your SIPP will fall in value. If your SIPP runs out of funds, you could be reliant on other resources of income for the rest of your retirement
- You have to pay income tax on money you take from your SIPP. If you make significant withdrawals in a short period of time, you may have to pay a large amount of tax
- Taking money from your SIPP will reduce the amount payable to your beneficiaries after your death
- Before you withdraw keep in mind that cash and investments held in your SIPP benefit from significant tax advantages that don't apply elsewhere

Having considered these risks, if you have any doubts about whether our SIPP is right for you, or if you need further advice, you must contact your adviser or another suitably qualified professional adviser.

Your questions answered

Am I eligible for a SIPP?



You can have a SIPP with us if you are resident in the UK or if you are resident overseas.

Can I pay contributions into my SIPP?

You can pay contributions into your SIPP but the tax relief you receive on your contributions will depend on your tax status and country of residence. Contact us for more information on tax relief. Contributions should be paid by electronic bank transfer.

Can my employer make payments to my SIPP?

Yes. Employers can make payments to your SIPP via electronic bank transfer provided the relevant company details have been provided to us.

Is there a limit on the contributions that can be paid to my SIPP?

The maximum you can contribute and benefit from tax relief in any one tax year is restricted by the Annual Allowance which is a limit set by HMRC. For 2024/25, the Annual Allowance is £60,000.

Can I transfer my existing pension into my SIPP?

Yes you can transfer from any UK registered pension scheme or overseas pension scheme (subject to our approval) to your SIPP. here is what you need to think about:

- Transferring out of a final salary pension also known as defined benefit pension scheme means giving up a guaranteed pension. Before transferring most final salary pensions, you'll need to take regulated financial advice. To transfer a final salary pension to your SIPP worth £30,000 or more, a suitably qualified financial adviser must first provide a recommendation that the transfer is right for you.
- You're not allowed to transfer from most public sector pension schemes to your SIPP
- You can transfer your pension in cash, or transfer cash and investments held provided they are investments we allow. If there is a cheaper version of any fund you transfer, we'll usually convert it when we receive the fund
- If you started drawdown under a pension scheme you can still transfer it to your SIPP. If you transfer a capped drawdown scheme, the original maximal income limit and pension year will continue to apply once the transfer is complete, although you have the option to convert to a flexi access drawdown if you want to
- You will be responsible for arranging the transfer from the transferring scheme. And it may take some time for us to receive the transfer payment from your existing provider

Can I transfer my SIPP to another pension?

You can transfer the value of your SIPP to another UK registered pension scheme, or to a qualifying recognised overseas pension scheme, at any time. Keep the following in mind:

- You may be able to transfer your investments or you can transfer the value as cash, in which case you will have to sell all of the investments under your SIPP before the transfer is completed
- If you've started accessing your pension from your SIPP via income drawdown, you must transfer the whole of the drawdown fund to your new scheme. If you have uncrystallised funds under your SIPP, you can choose to transfer all or only a part, of those uncrystallised funds to another pension scheme
- If you are transferring to a QROPS, a test against your Overseas Transfer Allowance must be carried out before the transfer is made. The amount above your allowance will be subject to tax.

If you're in any doubt about the benefit of transferring, we recommend you take advice from a suitably qualified financial advisor before starting the transfer.

What can I invest in?



There is a wide range of investments that are available to hold within your SIPP. The types of investments are listed below and a full list of investments is available for your adviser to view when they log in to the platform:

- Shares that are quoted on a recognised Stock Exchange that are settled within CREST. This includes UK and international shares
- Exchange traded funds and investment trusts that are quoted on the London Stock Exchange
- UK authorised unit trusts and open-ended investment companies

Your adviser places orders on your behalf online.

Do I pay tax on any dividends or gains within my SIPP?

SIPP investments are free from UK Capital Gains Tax and UK Income Tax. Interest on cash is paid gross. If you are subject to non-UK jurisdictions, such as the USA, ensure you are aware of any non-UK reporting or tax requirements. We don't offer a foreign withholding tax reclaim service, though income from US shares will receive income taxed at source at the appropriate beneficial treaty rate.

How do I get a valuation for my SIPP?

You can see how much your SIPP is worth at any time by logging on to the MES Pensions Platform or contacting your adviser.

When can I start to access my pension?

You can access your pension at any time from age 55 (57 from April 2028), whether or not you continue to work. It may be possible to access your SIPP earlier if you're in serious ill health.

What are my options when I choose to take benefits?

- Take a tax-free lump sum (normally up to 25% of the value of your fund) known as the Pension Commencement Lump Sum (PCLS).
- Convert all or part of your SIPP into income by buying the annuity which best suits you from an insurance company.
- Draw an income directly from your fund through drawdown.
- Withdraw lump sums from your SIPP. 25% of each payment will normally be tax free and the rest taxed as income. This is known as taking an Uncrystallised Funds Pension Lump Sum (UFPLS). Some people who have HMRC lump sum or lifetime allowance protection may not be able to use this option, please call us for more details. You cannot take an UFPLS from any part of your SIPP which you have already moved into drawdown or used to purchase an annuity.

When accessing your pension you should consider the following:

- If you have protected lump sum rights, you may be entitled to a tax free lump sum greater than 25%
- The tax free lump sum amount is restricted by the Lump Sum Allowance
- If you've previously used all your lifetime allowance, it isn't possible to take a UFPLS
- Income from the SIPP or an annuity is subject to income tax through Pay As You Earn (PAYE)

You can get free and impartial guidance from Pension Wise, the government's pension guidance service to help you make an informed decision about your retirement and the options available. You can use the link below to book an appointment with a Pension Wise pension specialist or contact us for information about how we can book this appointment for you.

To book your own appointment, you can call Pension Wise on 0800 138 3944 or you can book online via www.pensionwise.gov.uk



What happens if I die before I take benefits?

Your SIPP funds can be used to provide an income for your dependants or other nominated beneficiaries. If you die before age 75 this income will usually be tax free. If you die after age 75 it will be taxed as their income. If you die before age 75 the total fund can normally be paid to your beneficiaries as a tax-free lump sum. If you die after 75, the total fund can be paid to your beneficiaries as a lump sum taxed at the individual's marginal tax rate (or at 45% if not an individual).

You can tell us what you would like to happen to your SIPP when you die by completing an expression of wish. This is not legally binding but alerts us to your wishes.

SIPP benefits paid after your death are usually free of inheritance tax.

On death before age 75, any funds in your SIPP which are not in drawdown will be tested against the Lump Sum Death Benefit Allowance.

What are the SIPP charges?

Please view the SIPP charges schedule document which is available from your Financial Adviser.

Adviser Charges

Your adviser will discuss their charges and agree them with you. For advice relating to your SIPP, you can either pay these charges directly to your advisor, or we can arrange for them to be deducted from your SIPP. If you decide to go for the latter option, you will need to complete the adviser charging section within the application form. If your adviser charges are paid from your SIPP the value of your SIPP will reduce accordingly.

Can I change my mind?

You can cancel the SIPP within the first 30 days by writing to us at the address below. We will return your funds to you. Any shortfall is due to a cancellation of the underlying investments held in the SIPP, not a cancellation of the SIPP itself.

When you transfer pensions to the SIPP you can cancel each transfer separately in writing up to 30 days after you are told we have received the funds. If the transferring scheme does not accept these back, you may request a transfer to another provider.

If your investments have fallen in value, you will not get back the full amount invested or transferred.

OTHER INFORMATION

How to contact us

Phone: 03303 202091

Email: clientsupport@mespensions.com

Post: MES Financial Services Limited, 1st Floor, 31 College Green, Bristol, BS1 5TB.

How to complain

Write to our Compliance Manager at the address above.

Compensation arrangements

MES Financial Services Limited contributes to and is covered by the Financial Services Compensation Scheme (FSCS). Further details can be found in the SIPP Terms & Conditions or the FSCS website at www.fscs.org.uk.

Regulation



MES Financial Services Limited is authorised and regulated by the Financial Conduct Authority.

Pension Wise

Pension Wise is the government's pension guidance service which provides free impartial support and guidance around retirement. This service is available to everyone 50 or over with a workplace or personal pension.