MES Adviser SIPP

Product Disclosure Statement

Important Information:

This Product Disclosure Statement (PDS), along with the key features and terms and conditions of the MES Pension Scheme are current as of 1st November 2022. Any changes to this document will be communicated to all relevant parties.

The PDS provides a summary to investing in the MES Pension Scheme while you are either in the accumulation phase (uncrystallised) or when you are in Pension phase (crystallised).

The information within the PDS is general information only does and not consider your personal circumstances. We recommend you should take financial advice from a Financial Adviser who holds the relevant licence and permissions to advise you in Australia.

The product is issued by MES Financial Services Limited who is authorised and regulated by the Financial Conduct Authority in the UK, reference number 805568. The MES Adviser SIPP is administered in accordance with MES Pension Scheme trust deed and rules dated 1st September 2022.

Investments within the Pension are subject to investment risk, so we recommend taking Financial Advice from a licenced Financial Adviser.

Trustee Details: MES Pension Trustees Ltd, First Floor, 31 College Green, Bristol, BS1 5TB, United Kingdom.

Administrator details: MES Financial Services Limited, First Floor, 31 College Green, Bristol, BS1 5TB, United Kingdom.

Section 1. About MES Financial Services

The MES Adviser SIPP is part of the MES Pension Scheme which is a UK registered pension scheme operated and administered by MES Financial Services Ltd. MES Financial Services Limited is authorised by the Financial Conduct Authority (FCA) under reference 805568 to establish and operate personal pension schemes. The asset trustee is MES Pension Trustees Limited. The Pension Scheme Tax Reference (PSTR) of the SIPP is 20006840RM which is registered with HM Revenue & Customs (HMRC).

Section 2. How Self-Invested Personal Pensions work

Self-Invested Personal Pensions are designed to let you save for your retirement in the most tax efficient way. They allow you to build your income over your working years which provides you a tax-free cash lump sum of 25% and an income from age 55 (current UK minimum retirement age). Please always consult a tax adviser as this may be taxable in your country of residence.

They provide great investment flexibility to help you find an investment pathway based on your appetite to risk.

They allow you to take your retirement income in stages to continually fund your retirement plan.

Contributions

You can personally pay regular contributions or as lump sums, and these are paid net of basic rate tax. We claim the tax relief at the basic rate from HM Revenue & Customs and reinvest it in your scheme only if you are a relevant UK individual. If contributions are made by a higher rate taxpayer, extra tax relief can be claimed from HM Revenue & Customs via self-assessment, subject to certain restrictions.

If you are employed, your employer can also pay into your plan, in the same manner as personal contributions. However, these contributions are paid gross. Your payments can be varied as you wish, and you have flexibility to start, stop and restart your payments even if they are regular. If you stop payments, your money will stay invested in your fund. Reducing or stopping your payments will reduce the pension you get. If you are a relevant UK individual, you are eligible to have tax relief on the higher of £3,600 gross (£2,880 net of tax) or 100% of relevant earnings.

For those with earnings in excess of the ‘annual allowance’ (see below) restrictions on contributions are imposed by the Revenue. An ‘annual allowance’ is set by HM Revenue & Customs, which is the level at which contributions can be made and qualify for tax relief, details of which are available upon request.

The annual allowance can be exceeded (if earnings support the contribution), but HM Revenue & Customs will levy a tax charge on the excess amount. The level of the tax charge applied on the excess is dependent on your marginal rate of income tax.

If you flexibly access benefits, which includes taking income under flexi-access drawdown, you will trigger the money purchase annual allowance. Contributions into any money purchase arrangements will be restricted to £10,000 per annum. HM Revenue & Customs limit how much you can pay into your plan in a tax year. You can pay in more if justified by your net relevant earnings. Tax relief can be obtained on contributions up to 100% of net relevant earnings, subject to the annual allowance limit. There is the ability to utilise unused relief from the previous three tax years, certain conditions apply.

Taking Benefits- Drawdown-Pension Phase

When reaching retirement or the minimum pension age (currently 55), you can start taking your benefits from your SIPP, even if you are still working.

Flexi-Access Drawdown (Pension Phase): Flexi-Access Drawdown allows you to take up to 25% of your pension as a tax-free lump sum plus a one off or regular income. The benefits of Flexi-Access are it allows you keep your money invested while taking an income. All income is taxed through UK PAYE according to the tax code issued by HMRC.

Lifetime Annuity

You can purchase a lifetime annuity through an annuity provider which pays you an income for life based on the terms of the agreement with the annuity provider.

Death Benefits

Registered pension schemes may pay lump sum or pension benefits following the death of a member or a beneficiary.

It is up to the pension schemes trustees to decide who will receive what benefits and how much. Schemes can pay more than one type of benefit. If there is more than one person who is eligible to receive benefits, schemes can choose to pay as many or as few beneficiaries as they wish.

Death before age 75: On death before age 75, the following options are available:

- The fund can be retained within the scheme to provide flexi-access drawdown pension
- The entire fund can be paid out as a lump sum
- Funds can be used to purchase a dependant's annuity
- Funds can be used to provide a dependant's scheme pension

If your pension funds are designated to your beneficiaries as a lump sum death benefit within two years, they will be paid tax free up to the value of the Lump Sum Death Benefit Allowance (LSDBA) of £1,073,100. Any lump sum paid over this amount will be taxed at the recipient's marginal tax rate. Any lump sum paid after the two-year rule will be taxed at the recipient's marginal rate of income tax.

If your funds remain within the pension scheme to pay an income to your beneficiaries, the income is paid tax-free assuming funds are designated for income within two years. Any amounts not designated within two years; future income would be taxed at the recipient's marginal rate. The Lump Sum Death Benefit Allowance (LSDBA) will be reduced by the value of any tax free lump sum benefits taken.

If you die after receiving benefits without any dependants, you can nominate a charity to receive a lump sum, this will be paid tax-free.

Death after age 75: On death after age 75, the following options are available:

If you die post-age 75, the following options are available:
- The fund can be retained within the scheme to provide flexi-access drawdown pension
- The entire fund can be paid out as a lump sum
- Funds can be used to purchase a dependant's annuity
- Funds can be used to provide a dependant's scheme pension
- A combination of the above can be paid

If you die after age 75 then any lump sum death benefits are taxed at the recipient's marginal rate of income tax. If the recipient is a non-qualifying individual (trust), a tax charge of 45% will apply. If the funds are used to provide an income to your beneficiaries, this is taxed at their marginal rate of income tax. If you die after receiving benefits without any dependants you can nominate a charity to receive a lump sum, this will be paid tax-free

3. Benefits of Investing

The MES Adviser SIPP is designed to provide you with:

- Flexibility over when and how much you invest in your pension.

- SIPPs are versatile investment vehicles which allow you to hold a range of investments as per HM Revenue & Customs guidelines.
- Control over which investments to choose based on your risk appetite.
- The ability to earn returns according to your level of investment risk.
- Your savings will grow along with your underlying investments, and you can choose to keep paying or stop paying into your SIPP

Section 4. Risk Factors

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

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.
- 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.

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.
- you may need to pay additional tax charges when you withdraw money from your SIPP, if your pension is valued at more than the Lump Sum Death Benefit Allowance (LSDBA).

Having considered these risks, if you have any doubts about whether a SIPP is right for you, you need to seek advice from a suitably qualified professional adviser.

5. How we Invest your money

There is a wide range of investment that are available to hold within the MES Adviser SIPP. The types of investments are listed below, and a full list of investments is available when you login to the MES 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 & ASX.
- UK authorised unit trusts and open-ended investment companies

The Sterling cash account is an interest-bearing transaction account which holds your available cash for investment. The cash account is also used to receive income and distributions from investments and pay fees, costs, tax and other deductions.

- All contributions received, dividends and income payments will be allocated to the cash account.
- You or your adviser is responsible for managing and investing any surplus cash account monies.

Investments will be disinvested by the Trustee if the available cash balance in the cash account is not sufficient to cover SIPP administration and Platform fees.

6. Fees and costs

This illustration incorporates the following charges and fees. Charges may vary over time.

SIPP set up charge	£200	
SIPP administration charge	£300 per annum	
SIPP platform & Custody charge	0.40% p.a.	On the SIPP value between £0 and £500,000
	0.30% p.a.	On the SIPP value between £500,000 and £1,000,000
	0.20% p.a.	On the SIPP value over £1,000,000
Investment charge*	0.22% p.a.	

*For the basis of this illustration, we have used the Vanguard LifeStrategy 60% Equity Fund which has an ongoing charge of 0.22%. However, the actual charge payable will depend on the underlying investments that you select and hold in your SIPP.

Example – Balance of £100,000 in the Vanguard LifeStrategy 60% Equity

SIPP set up Charge	£200
SIPP Admin Charge	£300 per annum
SIPP platform & Custody Charge	0.40% p.a. = £400
	0.30% p.a. = N/A
	0.20% p.a. = N/A
Investment Fee	0.22% p.a. = £220
Dealing Fee	£4.95
Total cost	£1,124.95

7. How Pensions are taxed

Uncrystallised (Accumulation phase): Pensions allow you to grow your investments free of any Capital Gains tax. It's a tax wrapper which shields you from any tax when you are growing your retirement pot.

Crystallised (Pension Phase): Income from pensions is taxed like any other kind of income. You have a personal allowance (£12,570) for 2024/25 tax year on which you pay no income tax, and then you pay 20% income tax on everything from £12,571 to £50,270 before higher rate tax kicks in.

Band	Taxable income	Tax Rate
Personal Allowance	Up to £12,570	0%
Basic Rate	£12,571 to £50,270	20%
Higher Rate	£50,271 to £125,140	40%
Additional Rate	>£125,140	45%

** the Income Tax Rates & Bands quoted are the rates for England and Wales **

Section 8. How to open an account

Your adviser will need to complete the simple online application on our Platform and provide the details of the pension(s) you want to transfer. We will then manage the transfer of your existing pension(s) to your new SIPP account.

Section 9. Complaints Process

We are committed to providing you with an excellent service. However, we recognise that sometimes things can go wrong. Should you have cause to make a complaint, we want to know about it, and ensure that it is dealt with as quickly and effectively as possible.

We view complaints not only as an opportunity to understand our clients' needs, but to improve our services where needed and as a chance to put things right.

It is important you feel confident that we will take your complaint seriously, and as such we've put together this guide to explain our commitment to you. It's important that:

- You know who to complain to.
- You know how we will deal with your complaint.
- You feel confident that we will take your complaint seriously and try to resolve your complaint quickly.
- You know who to contact if we can resolve your complaint.

How to complain

You must submit a complaint in writing, addressed to the Complaints Officer, using one of the following methods:

- Emailing us at: compliance@mespensions.com
- Writing to us at: MES Financial Services Limited, First Floor, 31 College Green, Bristol, BS1 5TB

Processing a complaint

Where we are able to, we will seek to resolve your complaint within five business days. At times, this is not always possible. Where we are unable to resolve your complaint within five business days, we will provide you with acknowledgement of receipt in writing no later than the fifth business day.

Before the end of eight weeks, we will write to you providing our assessment of your complaint. This will include our final response explaining in a way that is fair, clear and not misleading. If we have not been able to complete our investigation within eight weeks of receipt of your complaint, we will write to you and let you know why, and when we expect to provide you with our final response.

It is important to us that you know we will investigate your complaint competently, diligently, and impartially, taking account of all available information.

If we can't settle your complaint

If you are not satisfied with our final response, or reason for not being able to provide you with our final response, you are able to refer your complaint to the relevant Ombudsman; either the Financial Ombudsman or the Pensions Ombudsman Service subject to any relevant time limits:

The Financial Ombudsman Service, Exchange Tower, London, E14 9SR

- www.financial-ombudsman.org.uk
- By email: complaint.info@financial-ombudsman.org.uk
- By phone: +44 800 023 4567

The Pensions Ombudsman Service

- 11 Belgrave Road, London, SW1V 1RB
- www.pensions-ombudsman.org.uk
- By email: enquiries@pensions-ombudsman.org.uk
- By phone: +44 800 917 4487

The complaints procedure is made available to every customer upon request, is published on our website, and is included in summary form in our customer documentation.

10. How to contact us

- Phone: +44 3303 202 091
- Email: advisersupport@mespensions.com
- Post: MES Financial Services Ltd, First Floor, 31 College Green, Bristol, BS1 5TB

11. Financial Services Compensation Scheme (FSCS)

The Financial Services Compensation Scheme (FSCS) is a government-backed compensation scheme that's designed to protect you from losing money if a regulated financial services firm goes out of business. If an authorised firm goes bust and can't repay your money, the FSCS will provide compensation up to a limit of £85,000. The aim of the scheme – which was set up in 2001 – is to create trust within the financial services industry and enable people to buy regulated financial services products with confidence.